



**CITY OF SANDY, UTAH**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**YEAR END JUNE 30, 2008**



**SANDY CITY**  
**10000 Centennial Parkway**  
**Sandy, Utah 84070**

**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2008**

**Prepared by:**

**Department of Finance**

**Arthur D. Hunter, Director of Finance and Information Services**

**Glade G. Jardine, Treasurer**

**Helen R. Kurtz, Controller**

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# INTRODUCTORY SECTION

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December 23, 2008

Honorable Mayor and  
Members of the City Council  
Sandy City

The Comprehensive Annual Financial Report (CAFR) of Sandy City (the City), for the fiscal year ended June 30, 2008 is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented in this report.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Independent Auditor's Report, as prepared by Wisan, Smith, Racker & Prescott, LLP, is included within the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP.

The City is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit

Organizations. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are published under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

### **Profile of the Government**

Sandy City is the fifth largest city in Utah. Located about 13 miles south of Salt Lake City, Sandy has experienced tremendous growth in land area and population during the past thirty years. Annexation of previously unincorporated land has resulted in growth from 6.6 square miles in 1970 to nearly 23 square miles today. Annexations combined with new construction resulted in population growth from 6,438 to 96,074 today.

Sandy City is one of the safest cities in the nation with a ranking from CQ Press as the 67th safest city out of 377 major U.S. Cities. This is the 11th year Sandy City has been ranked among the safest.

Since 1979, the City has operated under the council-mayor form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. One of the Mayor's administrative powers is the appointment of the Chief Administrative Officer, Cabinet Officers and various other positions such as the City Treasurer, the City Recorder, and the City Engineer. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, recreation services, storm drain system construction and maintenance, and street light system installation and maintenance. The City also operates water, waste collection, and River Oaks Golf Course as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency is reported as a special revenue fund and Alta Canyon Recreation Special Service District is reported as an enterprise fund.

Comprehensive annual budgets are an essential element for the City's financial planning and control. Therefore, budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds

used to account for special assessments and expendable trust funds which are subject to compensating controls. Utah state law also requires: 1) a balanced budget for each individual fund; however, Redevelopment Agencies are allowed to incur debt prior to the triggering of the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, storm water fund, and Redevelopment Agency fund, this comparison begins on page 44 as part of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 89.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy.** National pressures related to housing and financial market turmoil have led to a significant deceleration in Utah's economy. However, Utah is expanding and experiencing positive forward momentum. The Beehive State continues to post positive job growth. Year-over job growth was 0.1 percent in September 2008, as opposed to the national decline of 0.4 percent. Over the past year, approximately 1,700 jobs were created in Utah's job market.

Corresponding with Utah's growth, Sandy City also continues to grow and expand through new construction and development with more than 65 projects currently in the planning process or beginning the construction stage. Growth continues in the Civic Corridor with construction of hotels, office, retail and mixed use developments. More than 790,000 square feet of office space has recently been completed with more than 900,000 square feet in the conceptual phase. Surrounding areas in Sandy are also experiencing new growth in retail at the Commons at South Towne which includes new mid-box tenants Bed, Bath and Beyond, ULTA Beauty, Sports Authority, DSW Shoe Warehouse and the construction of Nordstrom Rack. The Proscenium is another major project proposed within Sandy. This project includes three 30-story towers as well as office, hotel, and retail space. The anchor attraction will be an art complex that will include a Broadway-style theater along with a children's theater and a black box theater. In addition, Ethan Allen Furniture store is relocating its Salt Lake location to 10390 South State and will include a 25,000 square foot facility. Other retail projects in the City will equal more than 400,000 square feet of new retail space.

Due to the continued growth in Sandy's commercial areas, Sandy residents continue to enjoy one of the lowest property tax rates in the county. Sandy's property tax rate is currently .001175 which is 59% of the average rate of other major Utah cities. Property taxes in Sandy have not increased in more than 20 years even though the population in that same time frame has nearly doubled to the current population of over 96,000.

Additional information about economic factors can be found on page 31 of MD&A.

**Long-Term Financial Planning.** With the anticipation that the economic slowdown which started in the last quarter of 2007 will continue to affect revenue through 2008, the City Council approved a balanced budget for the upcoming fiscal year. Prudent decisions in past and current budgets continue to allow the City to enhance the quality of life in our community.

The fiscal year 2009 budget includes \$3,300,000 for improvements to our roads and sidewalks in addition to \$130,000 to match a federal grant that will be used to improve the intersection at 90<sup>th</sup> South and 7<sup>th</sup> East and another \$290,000 to match a grant to reconstruct bridges in historic Sandy. Funding has also been added to resolve the final issue that has stalled the construction of the freeway interchange at 114<sup>th</sup> South.

A large portion of the budget for Public Utilities funds the \$4,200,000 assessment that pays for the new treatment plant at the point of the mountain and the aqueduct that brings this new source of treated water into Sandy's system. The budget also includes an additional \$2,800,000 of federal grant funding to replace the Granite Tank, bringing the total funding for this project to \$8,400,000 as well as \$900,000 to drill the Flat Iron well and \$1,000,000 to replace aging mainlines throughout Sandy.

Reinforcing the City's commitment to open space and trails, the fiscal year 2009 budget includes funding for further green space. This will include \$284,000 for phase one of the Quail Hollow park trail system. An additional \$500,000 is budgeted for the purchase of property that will provide another ten acres of green space and serve as a southern connection to the Bonneville Shoreline trail.

In light of the fact that a citizen survey revealed that satisfaction with City employees is again at an all time high, the budgeted compensation plan is designed to maintain this quality workforce and includes a five percent performance increase for eligible employees as well as a two percent cost-of-living increase for all positions.

**Relevant financial policies.** The City takes pride in maintaining its pay-as-you-go strategy along with reasonable long-term financing to keep the debt burden low. Sandy City seeks the most practical and cost-efficient financing available. Following this policy has allowed the City to maintain a "AA+" bond rating for sales tax revenue bonds, "AA" for general obligation bonds, and "AAA" for the motor fuel excise tax revenue bonds. For further information on long-term liabilities, please refer to page 30 in MD&A and page 67 in the notes to the financial statements.

**Major initiatives.** As we prepare for the future, City administration is committed to 1) maintain and improve basic core municipal services; 2) maintain integrity of residential neighborhoods and preserve property values; 3) preserve and improve public infrastructure and transportation systems; 4) preserve existing and expand additional retail and clean commercial businesses; 5) develop and improve the City's recreational trails and increase recreational opportunities; 6) develop and maintain community facilities; 7) strengthen communications with citizens, businesses, and other institutions; and 8) maintain a highly qualified employee workforce. These initiatives are reflected in the fiscal year 2009 budget.

With the above goals in mind, the branding initiative started last year will receive additional funding of \$85,000. The City will work closely with the Chamber of Commerce to promote Sandy. Two committees are also forming to

support efforts both in economic development and arts development. Also noteworthy is the progress that has been made with the City's website. The site not only has a whole new look but also contains considerably more content of value to our citizens and businesses. Further efforts should offer more opportunities to make payments and other transactions online.

Another major initiative in the fiscal year 2009 budget includes further funding for two community centers. There is \$1,200,000 of total funding in place for a center in historic Sandy and \$6,800,000 for an expansion and renovation of the Alta Canyon Sports Center that would include new offices for the Parks and Recreation Department. While a specific plan for both centers has not yet been formulated, work is currently underway to provide information needed to determine the best course of action.

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the twenty-first consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report satisfied both Accounting Principles Generally Accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

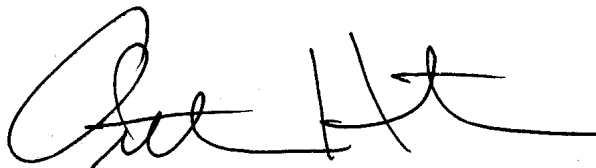
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This is the fourth consecutive year that the City has received this esteemed award.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

**Respectfully Submitted,**



**Byron D. Jorgenson,**  
**City Administrator**



**Arthur D. Hunter,**  
**Finance and Information**  
**Services Director**

# **SANDY CITY**

## **Elected Officials**

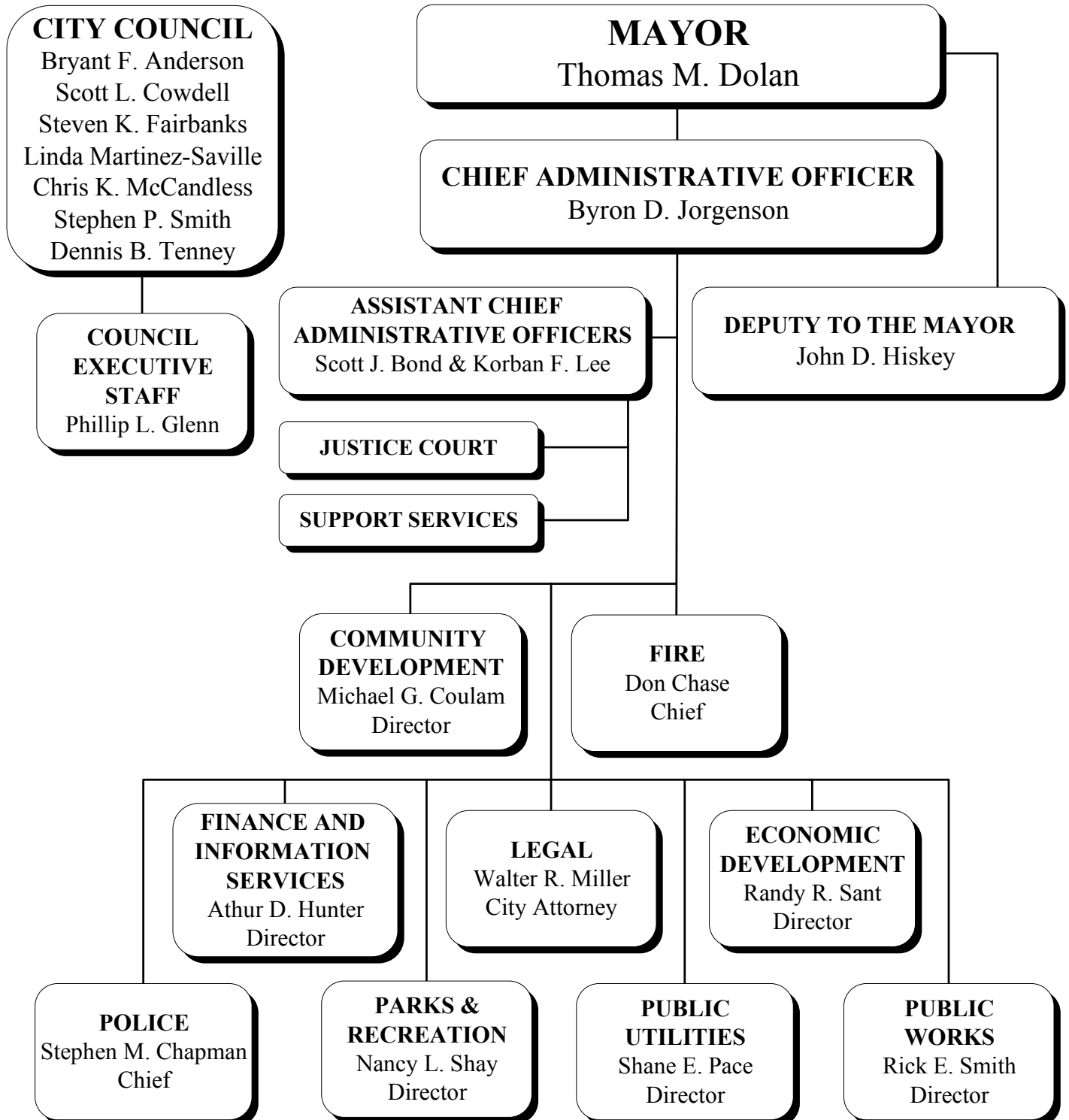
**Mayor ..... Thomas M. Dolan**  
**City Council - At Large ..... Linda Martinez-Saville**  
**City Council - At Large ..... Steven K. Fairbanks**  
**City Council - At Large ..... Stephen P. Smith**  
**City Council - District 1 ..... Scott L. Cowdell**  
**City Council - District 2 ..... Dennis B. Tenney**  
**City Council - District 3 ..... Bryant F. Anderson**  
**City Council - District 4 ..... Christopher K. McCandless**

## **Appointed Officials**

**Chief Administrative Officer ..... Byron D. Jorgenson**  
**Assistant Chief Administrative Officer ..... Scott J. Bond**  
**Assistant Chief Administrative Officer ..... Korban F. Lee**  
**Deputy to the Mayor ..... John D. Hiskey**  
**City Attorney ..... Walter R. Miller**  
**Finance and Information Services Director ..... Arthur D. Hunter**  
**Chief of Police ..... Stephen M. Chapman**  
**Fire Chief ..... Don Chase**  
**Public Works Director ..... Rick E. Smith**  
**Public Utilities Director ..... Shane E. Pace**  
**Parks and Recreation Director ..... Nancy L. Shay**  
**Community Development Director ..... Michael G. Coulam**  
**Economic Development Director ..... Randy R. Sant**

# Sandy City Organizational Structure

## CITIZENS OF SANDY



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandy City  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in cursive script, reading "Oliver S. Cox".

President

A handwritten signature in cursive script, reading "Jeffrey R. Emer".

Executive Director



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# FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of Sandy, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Utah (the City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Utah, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, and the respective budgetary comparison for the General Fund, the Storm Water Fund, and the RDA Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis, and the schedule of roadway system condition and maintenance, on pages 19 through 33 and 85, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and budgetary comparison information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Wison Smith Racker & Prescott, LLP*

Salt Lake City, Utah  
December 22, 2008

## **Management's Discussion and Analysis**

As management of Sandy City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which starts on page 7 of this report.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of fiscal year 2008 by \$502,516,302 (net assets). Of this amount, \$68,146,620 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$10,658,307. Of this increase, 44 percent is attributable to governmental activities, mostly from capital projects. Of this excess, \$4,028,089 was transferred to the capital projects fund for current and future capital projects. Approximately 51 percent of this increase is attributable to the Ontario Drain Tunnel water lease revenue and to unspent revenues in the water fund that will be used for future capital projects.
- As of the close of fiscal year 2008, the City's governmental funds reported combined ending fund balances of \$41,107,654, an increase of \$5,331,537 in comparison with fiscal year 2007. During fiscal year 2008, the Redevelopment Agency (RDA) began collecting transient room taxes (\$2,710,280), which were pledged by the Governor's Office of Economic Development. The revenue will be used for capital expenses related to a new soccer stadium and related facilities and the costs associated with the issuance of the 2007 Transient Room Tax Revenue Bonds issued during fiscal year 2008. The capital projects fund contributed \$5,643,486 of the increase by issuing debt (\$6,500,000) for road projects. The storm water fund used fund balance (\$922,983) saved in prior years to pay debt service on the 2002 Sales Tax Revenue Bonds. The unreserved portion of the City's governmental funds fund balance equals \$31,220,580 and is available for spending at the government's discretion.
- At the end of fiscal year 2008, unreserved fund balance of the general fund was \$5,546,417, or 14 percent of total general fund expenditures.
- The City's total long-term obligations increased \$35,382,366 (54.5 percent) during fiscal year 2008 as a result of issuing the 2007 Motor Fuel Excise Tax Bonds (\$6,360,000) and the 2007 Transient Room Tax Bonds (\$35,000,000).

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, storm water, electric utility, economic development, parks (including landscapes and cemeteries), and culture and recreation. The business-type activities of the City include water, waste, River Oaks Golf Course, and Alta Canyon Sports Center.

Although Alta Canyon Sports Center is a legally separate entity from the City (known as the primary government), the Sports Center provides services, which almost exclusively benefit the City. Alta Canyon functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government (see more information about the Sports Center on page 50).

The government-wide financial statements can be found on pages 36-39 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, the storm water fund, and the Redevelopment Agency fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 40-46 of this report.

*Proprietary funds.* The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services, risk management, payroll management, and equipment management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course, all of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining* statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 47-49 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-81 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the modified approach for infrastructure. Required supplementary information begins on page 83 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 88-117 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sandy City, assets exceeded liabilities by \$502,516,302 at the close of fiscal year 2008.

By far the largest portion of the City's net assets (84.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**SANDY CITY**  
**Summary of Net Assets**  
June 30, 2008

	<b>Governmental</b>		<b>Business-type</b>		<b>Total Primary Government</b>	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 71,344,415	\$ 64,772,703	\$ 32,301,511	\$ 29,084,794	\$ 103,645,926	\$ 93,857,497
Capital assets	424,574,052	389,052,707	97,383,947	94,921,678	521,957,999	483,974,385
Total assets	495,918,467	453,825,410	129,685,458	124,006,472	625,603,925	577,831,882
Long-term liabilities outstanding	75,223,480	38,836,894	25,057,910	26,062,130	100,281,390	64,899,024
Other liabilities	19,490,357	18,438,945	3,315,876	2,635,918	22,806,233	21,074,863
Total liabilities	94,713,837	57,275,839	28,373,786	28,698,048	123,087,623	85,973,887
Net assets:						
Invested in capital assets, net of related debt	352,072,052	352,748,948	72,410,556	39,324,204	424,482,608	392,073,152
Restricted	9,887,074	5,585,051	-0-	-0-	9,887,074	5,585,051
Unrestricted	39,245,504	38,215,572	28,901,116	55,984,220	68,146,620	94,199,792
<b>Total net assets</b>	<b>\$ 401,204,630</b>	<b>\$ 396,549,571</b>	<b>\$ 101,311,672</b>	<b>\$ 95,308,424</b>	<b>\$ 502,516,302</b>	<b>\$ 491,857,995</b>

An additional portion of the City's net assets (2.0 percent) represents resources that are subject to external restrictions on how they may be used, all of which is from governmental activities. The remaining balance of *unrestricted net assets* (\$68,146,620) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2008, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Restricted net assets for governmental activities increased 77 percent (\$4,302,023) during fiscal year 2008. Unspent bond proceeds from issuance of the 2007 Motor Fuel Excise Tax Bonds accounts for \$3,699,242 of the increase. Additionally, the City's land sales for capital projects contributed \$1,551,158 to the increase in restricted assets. As required in the 2007 Transient Room Tax Revenue Bonds issued during fiscal year 2008, the City deposited \$800,000 to a debt service reserve fund, increasing restricted net assets. The City used \$21,299 of its prepaid assets restricted in the general fund and expended \$163,082 of funds restricted for roads, which decreased restricted net assets.

**SANDY CITY**  
**Changes in Net Assets**

For the Year Ended June 30, 2008

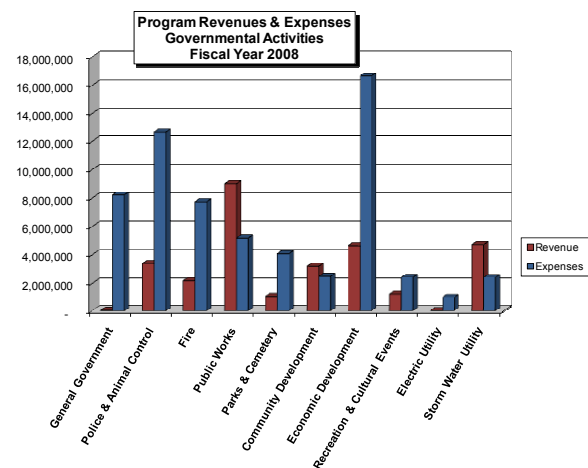
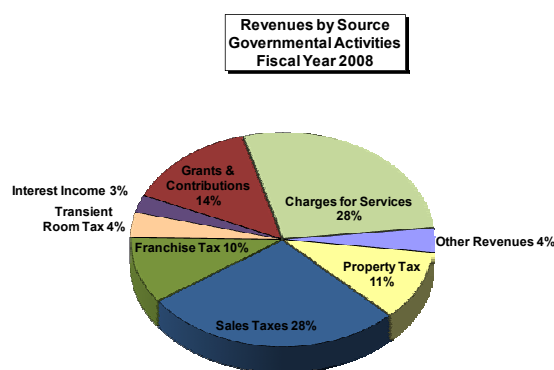
	<b>Governmental</b>		<b>Business-type</b>		<b>Total Primary</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 19,615,205	\$ 18,882,914	\$ 27,905,484	\$ 26,846,150	\$ 47,520,689	\$ 45,729,064
Operating grants and contributions	3,707,626	3,908,887	-0-	-0-	3,707,626	3,908,887
Capital grants and contributions	6,319,117	4,032,491	-0-	-0-	6,319,117	4,032,491
General revenues:						
Property Tax	7,538,275	7,455,228	362,227	354,469	7,900,502	7,809,697
Sales Tax	19,746,002	19,286,918	-0-	-0-	19,746,002	19,286,918
Franchise Tax	7,145,328	7,091,234	-0-	-0-	7,145,328	7,091,234
Motor Vehicle Fees	757,242	824,486	40,583	50,017	797,825	874,503
Transient Room Taxes	2,710,280	-0-	-0-	-0-	2,710,280	-0-
Special Assessments	-0-	344,658	-0-	-0-	-0-	344,658
Interest Income	1,872,278	2,104,210	858,769	943,093	2,731,047	3,047,303
Sale of Fixed Assets	-0-	(86,980)	-0-	-0-	-0-	(86,980)
Sundry Revenue	1,835,190	716,827	-0-	-0-	1,835,190	716,827
<b>Total revenues</b>	<b>71,246,543</b>	<b>64,560,873</b>	<b>29,167,063</b>	<b>28,193,729</b>	<b>100,413,606</b>	<b>92,754,602</b>
<b>Expenses</b>						
General Government	8,211,847	6,867,682	-0-	-0-	8,211,847	6,867,682
Police & Animal Control	12,714,056	12,006,296	-0-	-0-	12,714,056	12,006,296
Fire	7,752,211	6,706,058	-0-	-0-	7,752,211	6,706,058
Public Works	5,235,022	7,755,946	-0-	-0-	5,235,022	7,755,946
Parks, Landscapes and Cemetery	4,073,782	4,510,115	-0-	-0-	4,073,782	4,510,115
Community Development	2,550,854	2,410,950	-0-	-0-	2,550,854	2,410,950
Economic Development	16,696,628	1,773,179	-0-	-0-	16,696,628	1,773,179
Recreation and Cultural Events	2,475,499	1,608,880	-0-	-0-	2,475,499	1,608,880
Electric Utility	1,002,939	957,904	-0-	-0-	1,002,939	957,904
Storm Water Utility	2,461,502	1,997,000	-0-	-0-	2,461,502	1,997,000
Interest on Long-Term Debt	3,267,144	1,855,689	-0-	-0-	3,267,144	1,855,689
Alta Canyon Sports Center	-0-	-0-	1,174,844	1,114,365	1,174,844	1,114,365
Water Fund	-0-	-0-	16,892,738	17,219,050	16,892,738	17,219,050
Waste	-0-	-0-	3,823,602	3,663,177	3,823,602	3,663,177
Golf Course Fund	-0-	-0-	1,422,631	1,363,593	1,422,631	1,363,593
<b>Total expenses</b>	<b>66,441,484</b>	<b>48,449,699</b>	<b>23,313,815</b>	<b>23,360,185</b>	<b>89,755,299</b>	<b>71,809,884</b>
Increase in net assets before transfers	4,805,059	16,111,174	5,853,248	4,833,544	10,658,307	20,944,718
Transfers	(150,000)	(150,000)	150,000	150,000	-0-	-0-
<b>Increase in net assets</b>	<b>4,655,059</b>	<b>15,961,174</b>	<b>6,003,248</b>	<b>4,983,544</b>	<b>10,658,307</b>	<b>20,944,718</b>
Beginning net assets	396,549,571	380,588,397	95,308,424	90,324,880	491,857,995	470,913,277
<b>Ending net assets</b>	<b>\$ 401,204,630</b>	<b>\$ 396,549,571</b>	<b>\$ 101,311,672</b>	<b>\$ 95,308,424</b>	<b>\$ 502,516,302</b>	<b>\$ 491,857,995</b>

The government's net assets increased \$10,658,307 during fiscal year 2008. This growth largely reflects capital asset additions.

**Governmental activities:** Governmental activities increased the City's net assets by \$4,655,059, accounting for 43.7 percent of the total growth in the City's net assets. Key elements of this change are as follows:

- The City collected \$2,710,280 in transient room taxes from the state of Utah, which will be used for debt service on the 2007 Transient Room Tax Revenue Bonds issued during fiscal year 2008.
- The City sold 1.45 acres of land for a \$597,529 gain.

- General fund revenues which posted higher than expected during fiscal year 2008 include \$190,590 of ambulance fees from inter-facility transports which were formerly outsourced and an increase in other transports, \$159,003 from franchise taxes as a result of higher utility rates, unanticipated new cell tower leases and cell tower lease renewals which exceeded expectations by \$102,487, and \$313,351 from building permits as a result of \$380,117 received for permits on the soccer stadium.
- During fiscal year 2008 the City finished \$15,384,777 of capital projects including \$4,522,903 that began in prior years. Governmental activities also contributed \$11,231,670 of construction in progress. More detailed information on capital additions can be found in the Capital Assets and Debt Administration section of the MD&A beginning on page 28.

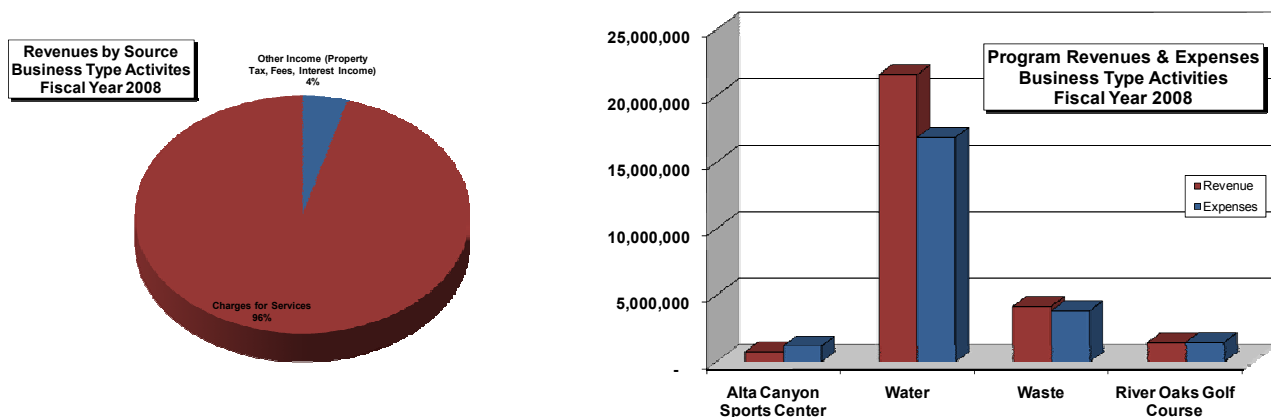


**Business-type activities:** Business-type activities increased the City's net assets by \$6,003,248, accounting for 56.3 percent of the total growth in the government's net assets. Key elements of the change in business-type net assets are as follows:

- On May 1, 2001, the City entered into an interlocal agreement with Salt Lake City and Metropolitan Water District of Salt Lake and Sandy (MWDSLS). Under this agreement, the City is obligated to pay an estimated total of \$126,310,000 over 30 years to the MWDSLS for capital improvements to be conducted by MWDSLS. The fifth annual assessment of \$4,210,322 was paid in fiscal year 2008. An assessment in the same amount will be paid in fiscal year 2009.
- MWDSLS entered into an agreement with Jordanelle Special Service District (JSSD) under which JSSD leases from MWDSLS its Ontario Drain Tunnel water rights. Sandy City's portion of the first lease payment (\$1,103,200) was posted in the water fund during fiscal year 2008.
- Culinary water sales in the water fund exceeded expectations by \$611,466 as a result of growth from new construction and increased consumption by existing customers.
- During fiscal year 2008, the City completed \$1,710,056 in water main additions and continued construction on the granite tank replacement project which, when finished, will increase the tank's

capacity from 1.5 million gallons to 10 million gallons. The fiscal year 2008 expenditures for work in progress, including the granite tank project, totaled \$3,294,514.

- The City's 31.89 percent equity in the Trans-Jordan Cities joint venture provided \$223,008 to the waste fund's net assets increase. Another contributing factor to the waste fund's portion of the overall increase is the \$101,124 in charges for services over expectations.
- Pro shop merchandise sales of \$271,250, clubhouse rentals and concessions of \$68,817, as well as equipment rentals of \$308,601 which exceeded budgeted expectations by \$33,250, \$24,817, and \$34,601 respectively were responsible for the River Oaks Golf Course portion (\$129,010) of the increase in business-type activities net assets.
- In fiscal year 2008, Alta Canyon Sports Center caused a \$32,283 decrease in business-type net assets due to depreciation expense of \$91,802. Before depreciation, the Sports Center presents a \$59,519 increase in net assets.



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Sandy City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2008, the City's governmental funds reported combined ending fund balances of \$41,107,654, an increase of \$5,331,538 in comparison with fiscal year 2007. Of this amount, \$31,220,580 (76.0 percent) is unreserved, and is therefore available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$1,779,700) or to pay for capital

projects, including road projects (\$7,951,046). The City has paid for certain services it expects to receive in the future (\$156,328).

The general fund is the chief operating fund of the City. At the end of fiscal year 2008, fund balance of the general fund was \$5,702,745, of which \$156,328 has been paid for future services (prepaid assets) and is therefore restricted. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (\$5,546,417) and total fund balance to total fund expenditures. Unreserved fund balance represents 13.6 percent of the total general fund expenditures.

The fund balance of the City's general fund remained neutral with a \$2,503 increase.

The storm water fund experienced a decrease in fund balance of \$922,983 for fiscal year 2008 resulting in a total fund balance of \$2,687,663. The \$928,103 transfer to the debt service fund for payment on the 2002 Sales Tax Revenue Bonds, which were used to fund storm drain improvements, caused the decrease.

The debt service fund has a total fund balance of \$2,310,501, of which \$1,779,700 is reserved for the payment of debt service. The net fund balance decreased 28.0 percent (\$897,597) during fiscal year 2008. The City paid MWDSLS in full (\$1,560,086) for right-of-way acquisitions along the 20<sup>th</sup> East Corridor project with funds transferred from the capital projects fund the prior fiscal year.

Fund balance in the capital projects fund increased \$5,643,486 during fiscal year 2008 leaving an ending fund balance of \$23,215,081. Of the ending fund balance, \$7,951,046 is restricted for specific capital projects, including roads. The increase in fund balance resulted primarily from unspent bond proceeds (\$3,541,257) from the 2007 Motor Fuel Excise Tax Revenue Bonds and the sale of land on Centennial Parkway (\$843,332) and near the River Oaks Golf Course (\$784,253).

The Redevelopment Agency (RDA) fund's ending fund balance of \$5,545,680 reflects an increase of \$2,170,639 in fiscal year 2008. The reason for this increase is the receipt of \$2,710,280 in transient room taxes from the state of Utah, which will be used for debt service on the 2007 Transient Room Tax Revenue Bonds issued during fiscal year 2008. The bonds were issued for the purpose of funding the acquisition of land for a new soccer stadium and related facilities and the acquisition and construction of infrastructure, parking, landscaping and related improvements in connection with the stadium to be located within the RDA's 9400 South Community Development Project Area.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's proprietary funds experienced cumulative growth of \$5,927,327 in unrestricted net assets from enterprise funds amounting to total net assets of \$90,609,523 for the water fund, \$6,920,998 for the

waste fund, \$1,262,904 for Alta Canyon Sports Center, and \$1,668,803 for River Oaks Golf Course. Total net assets from all internal service funds is \$16,356,123.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## **General Fund Budgetary Highlights**

Fiscal year 2008 showed a \$337,928 decrease between the original budget and the final amended budget for general fund expenditures for the following reasons:

- \$600,000 was transferred from street reconstruction in the general fund to the capital projects fund for future community projects.
- The City's fire department began providing inter-facility transports, a service formerly outsourced, necessitating an increase in the fire department's overtime budget (\$137,000) to be funded by transport fees.
- The fire department also received a grant to purchase a new diesel filter system (\$79,872).
- The animal services division of the police department increased budgeted appropriations \$5,200 for animal control services provided to Cottonwood Heights, who will pay animal control fees to Sandy City for these services.
- The general fund contingency was used to increase appropriations for snow removal (\$50,000) and the Sub-for-Santa program (\$1,125).

Based on budgeted revenues and expenditures, fund balance was expected to increase \$50,931. During fiscal year 2008, sales tax revenues posted \$392,998 less than expected due to the slowing economy. However building permit revenue came in \$313,351 over budgeted expectation, mostly due to construction of the soccer stadium. That combined with careful spending allowed the City to keep fund balance neutral with a \$2,503 increase.

## **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008 are water rights and capacity, land, improvements other than buildings, machinery and equipment, autos and trucks, infrastructure (roadway system), street light system, and storm drain system. The net increase in the City's investment in capital assets for fiscal year 2008 was \$37,983,614 (a 9.1 percent increase for governmental activities and a 2.6 percent increase for business-type activities).

Major capital asset events during fiscal year 2008 included the following:

- The City purchased 22 acres of land for the new soccer stadium (\$19,753,981) and acquired land costing \$1,589,118 for infrastructure.
- The City completed the replacement of Fire Station 32 for a total cost of \$2,073,029, of which \$1,227,914 was capitalized as construction in progress in prior years.
- The City completed \$2,375,684 in road projects and added \$4,640,917 in roads construction in progress.
- Park improvements completed during fiscal year 2008 amounted to \$2,668,959, mostly consisting of the construction of Eight Acre Park at Quarry Bend (\$2,226,278). Other parks improvement completed during fiscal year 2008 include replacing the sports field lighting at Bicentennial Park (\$117,710) and renovation of the Flat Iron Mesa Park irrigation system (\$248,763).
- The Public Utilities department completed \$2,323,094 of storm water improvements, including the Gravel Pit Detention Pond for a total cost of \$1,909,329, as well as \$932,503 of street light system improvements.
- Excluding roads, the City's governmental funds' new construction in progress amounts to \$6,586,747. This includes storm water improvements to install the 8000 South storm drain trunk line (\$1,074,319) and to complete the bottom of the storm drain system at 9400 South, which will take flows from the new soccer stadium (\$1,263,489). Additionally, the City began developing land at 9400 South and 1300 East for a cultural arts center, park, and open space (\$1,627,572). The Parks and Recreation department also continued developing an urban fishery (\$826,014) to be located south of the River Oaks Golf Course as well as continuing work on various other projects amounting to \$694,873 during fiscal year 2008.
- The Public Utilities department capitalized \$1,710,056 of water main improvements.
- The water fund contributed \$3,295,024 in new construction in progress, including \$1,243,407 for the Granite tank replacement, \$821,903 for main line improvements on State Street from 9400 South to 10600 South and \$629,577 for the zone 5 pipeline.

**SANDY CITY**  
**Capital Assets, Net of Depreciation**  
**June 30, 2008**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	2008	2007	2008	2007	2008	2007
Water Rights & Capacity	\$ -0-	\$ -0-	\$ 29,580,995	\$ 29,568,031	\$ 29,580,995	\$ 29,568,031
Land	216,709,436	196,572,868	6,562,735	6,562,735	223,272,171	203,135,603
Buildings and Systems	54,210,487	50,518,811	53,543,299	54,721,998	107,753,786	105,240,809
Improvement Other Than Buildings	11,440,432	9,370,249	1,277,556	1,328,325	12,717,988	10,698,574
Vehicles	5,115,296	4,832,009	462,102	350,466	5,577,398	5,182,475
Machinery and Equipment	2,401,419	2,146,239	412,091	139,467	2,813,510	2,285,706
Infrastructure	119,285,367	116,909,683	-0-	-0-	119,285,367	116,909,683
Construction in Progress	15,411,615	8,702,848	5,545,169	2,250,656	20,956,784	10,953,504
<b>Total</b>	<b>\$ 424,574,052</b>	<b>\$ 389,052,707</b>	<b>\$ 97,383,947</b>	<b>\$ 94,921,678</b>	<b>\$ 521,957,999</b>	<b>\$ 483,974,385</b>

The City did not record its roadway system infrastructure as part of the general fixed asset account group before July 1, 2002, but did record storm water and street light systems infrastructure in the appropriate funds at historical cost less depreciation. With the implementation of GASB Statement No. 34, Sandy City implemented the modified approach to account for roadway system infrastructure. Because many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained, GAAP allow a government to forego reporting depreciation in connection with networks or subsystems of infrastructure assets. A government choosing this option must commit to maintain those particular infrastructure assets at a predetermined condition level of its own choosing and must establish an asset management system that is adequate for that purpose. Sandy City has established a policy to maintain at least 80 percent of its roadway system at a good or better condition and have no more than 10 percent in a substandard condition. For the fiscal year ending June 30, 2008, the City has exceeded this goal for each of the three subsystems of the roadway network (arterials, collectors, and secondary) with 88.9 percent of the overall roadway network being in good or better condition and only 0.4 percent in substandard condition. This is a 1.9 percent decrease from those in good or better condition at the end of fiscal year 2007 (90.8 percent) and no change from those in substandard condition for the fiscal year ending June 30, 2007. The projected needed amount of \$7,735,111 includes provisions for increasing material and supply costs. The actual amount spent (\$6,258,947) is largely attributable to construction in progress. Therefore, the projected needs will be expended in future years. More detailed information on this subject can be found in note 1 on page 55 of the notes to the financial statements and in the Required Supplementary Information section on page 85.

Additional information on the City's capital assets can be found in note 10 of the notes to the financial statements on pages 64-67 of this report.

**Long-term debt.** At the end of fiscal year 2008, the City had total long-term obligations outstanding of \$100,281,390. Of this amount, \$2,425,000 comprises debt backed by the full faith and credit of the government and \$1,567,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt (\$78,635,000) represents bonds secured solely by specified revenue sources (i.e. revenue bonds). The City's long-term obligations outstanding also include notes payable, long-term contracts payable, and compensated absences totaling \$17,654,390.

**SANDY CITY**  
**Outstanding Debt**  
**As of June 30, 2008**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 2,425,000	\$ 3,050,000	\$ -0-	\$ -0-	\$ 2,425,000	\$ 3,050,000
Special assessment debt with governmental commitment	1,567,000	1,844,000	-0-	-0-	1,567,000	1,844,000
Revenue bonds	67,185,000	28,305,000	11,450,000	12,395,000	78,635,000	40,700,000
Total bonds payable	71,177,000	33,199,000	11,450,000	12,395,000	82,627,000	45,594,000
Notes payable	1,325,000	1,595,000	-0-	-0-	1,325,000	1,595,000
Compensated absences	2,721,480	2,533,134	-0-	-0-	2,721,480	2,533,134
Long-Term Contract Payable	-	1,509,760	13,607,910	13,667,130	13,607,910	15,176,890
Total other debt	4,046,480	5,637,894	13,607,910	13,667,130	17,654,390	19,305,024
<b>Total outstanding debt</b>	<b>\$ 75,223,480</b>	<b>\$ 38,836,894</b>	<b>\$ 25,057,910</b>	<b>\$ 26,062,130</b>	<b>\$ 100,281,390</b>	<b>\$ 64,899,024</b>



The City's total long-term debt increased \$35,382,366 (54.5 percent) during fiscal year 2008. Significant events that contributed to this change are:

- The City's Redevelopment Agency issued the Transient Room Tax Revenue Bonds, Series 2007A (\$27,000,000) and Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, Series 2007B (\$8,000,000). Both are primarily for the purpose acquiring land for a new soccer stadium and related facilities and for infrastructure and related improvements in the soccer stadium area.
- The City issued \$6,360,000 in Motor Fuel Excise Tax Revenue Bonds, Series 2007 to finance road improvements.
- The City paid MWDSLS in full for the 29<sup>th</sup> East right-of-way acquisitions (\$1,509,760).
- In addition, the City made \$4,656,220 of principal payments on long-term debt during fiscal year 2008.

The City's sales tax revenue bonds are insured by Ambac Assurance Corporation. In June 2008, Ambac's rating was downgraded causing the Standard and Poor's ratings on the City's sales tax revenue bonds to be downgraded from AAA to AA+. The City maintains a "AA" rating from Standard and Poor's for its general obligation bond because of the City's strong historical and projected unrestricted financial reserves, a low debt level, and a stable and affluent residential community. Standard and Poor's has rated the water revenue and refunding bonds "AA-". Moody's Investor Services rated the 2007 Motor Fuel Excise Tax Revenue Bonds "AAA". Because the 2007 Transient Room Tax Bonds were privately placed, there was no rating requirement.

Utah state statute limits the amount of general obligation debt a governmental entity may issue to eight percent of the "reasonable fair cash value" of property. Of this percentage, a maximum of four percent may be used for general purposes. The remaining four percent and any unused portion of the four percent available for general purposes up to the maximum eight percent may be utilized for water and/or sewer purposes. The current debt limitation for the City's general-purpose debt is \$417,335,929 and \$834,671,858 for the City as a whole. This limitation is significantly in excess of the City's outstanding general obligation debt (\$2,425,000).

Additional information on the City's long-term debt can be found in note 11 on pages 67-73 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the City's budget for fiscal year 2008:

- The rolling twelve month average for taxable sales both in Sandy and statewide showed that growth fell by almost 50 percent between June 2007 and January 2008.

- Although the unemployment rate for the state of Utah rose to 3.5 percent in October 2008 from 2.8 percent in October 2007, it is still nearly half of the national unemployment rate of 6.5 percent.
- The decision to not build all of the fiscal year 2008 revenue growth into the ongoing budget, but rather for one-time capital projects, has had the desired effect of mitigating the impacts of a slowing economy.

As general fund balance remained neutral with an increase of \$2,503, the City expects to add \$129,048 during fiscal year 2009 to soften unanticipated needs and provide additional financial security and strength to the City as a whole.

In keeping with the master plan, the fiscal year 2009 budget includes the recommended annual 6.5 percent water rate increase in order to meet escalating demand on the City's culinary water system. This is the ninth year in a ten-year schedule of annual increases. Additionally, meter set fees for 1 inch meters and large meter universal transmitters increased 4.1 percent and 62.3 percent respectively to cover material costs. Hydrant use fees and storm water development review fees increased 10 percent to cover personnel costs.

Monthly waste collection fees increased 4.2 percent to compensate for the consumer price index adjustment in our contract with Waste Management and fuel costs.

The Public Works department has implemented a new emergency trench repair fee to cover the costs of City crews repairing a contractor's trench to make the road safe for vehicles. Additionally, after completing a time-study on the permit process and evaluating the impact of excavations on the permanent road surface, the fee structure has changed to better reflect the costs to process, inspect, and enforce all road excavation permits.

The Community Development department made fee adjustments so that in general, the fees for basic review and inspection services cover a smaller proportion of the cost than fees for those services that are special request. The Community Development department also discontinued the \$1,000 door-to-door soliciting fee as they will no longer be charged a bond.

Season tickets for community events are gradually increasing to bring ticket prices more in line with market levels and allow event revenue to better cover direct costs. New fees have been implemented to help cover Amphitheater rental costs.

Several fees throughout City departments have increased due to the rising costs of personnel, supplies, materials, fuel, and utilities. These include sale of maps and copies, police reports, animal control fees, fire inspection fees, park reservation fees, and program fees for the City's recreation department and Alta Canyon Sports Center. Park impact fees also increased 10 percent due to rising construction costs.

## **Requests for Information**

This financial report is designed to provide a general overview of Sandy City's finances for everyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sandy City Finance Department, 10000 Centennial Parkway, Sandy, Utah 84070.

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# BASIC FINANCIAL STATEMENTS

**SANDY CITY****Statement of Net Assets****June 30, 2008****With Comparative Totals for 2007**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Comparative Total - 2007
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 41,848,043	\$ 19,223,792	\$ 61,071,835	\$ 61,068,889
Receivables - Net	15,118,755	4,050,022	19,168,777	18,368,515
Cash Deposits	23,981	250,000	273,981	-0-
Intergovernmental Receivable	4,383,324	1,118,744	5,502,068	1,742,246
Internal Balances	(849,444)	849,444	-0-	-0-
Inventories	62,686	631,878	694,564	574,130
Prepaid Assets	205,154	-0-	205,154	178,182
Deferred Charges	696,958	227,921	924,879	791,409
Temporarily Restricted Cash:				
Road Funds	146,835	-0-	146,835	309,917
Capital Projects	7,928,423	-0-	7,928,423	4,117,807
Debt Service	1,779,700	-0-	1,779,700	979,700
Investment in Joint Venture	-0-	5,949,710	5,949,710	5,726,702
Capital Assets (Net of Accumulated Depreciation)				
Water Rights & Capacity	-0-	29,580,995	29,580,995	29,568,031
Land	216,709,436	6,562,735	223,272,171	203,135,603
Buildings and Systems	54,210,487	53,543,299	107,753,786	105,240,809
Improvements Other Than Buildings	11,440,432	1,277,556	12,717,988	10,698,574
Vehicles	5,115,296	462,102	5,577,398	5,182,475
Machinery and Equipment	2,401,419	412,091	2,813,510	2,285,706
Infrastructure	119,285,367	-0-	119,285,367	116,909,683
Construction in Progress	15,411,615	5,545,169	20,956,784	10,953,504
Total Assets	\$ 495,918,467	\$ 129,685,458	\$ 625,603,925	\$ 577,831,882

The accompanying notes are an integral part of this financial statement.

	Primary Government			
	Governmental	Business-Type		Comparative
	Activities	Activities	Total	Total - 2007
<b><u>LIABILITIES:</u></b>				
Accounts Payable	\$ 3,663,810	\$ 1,690,903	\$ 5,354,713	\$ 3,884,718
Salaries & Benefits Payable	2,282,947	278,364	2,561,311	2,413,948
Accrued Interest Payable	1,210,934	92,570	1,303,504	490,660
Unamortized Interest Payable	-0-	17,001	17,001	26,533
Claims & Judgements Payable	370,164	-0-	370,164	436,881
Intergovernmental Payable	94,536	16,265	110,801	134,130
Unearned Revenue	7,774,482	419,610	8,194,092	8,120,362
Deferred Assessments	1,358,000	-0-	1,358,000	1,641,000
Customer Deposits	2,735,484	801,163	3,536,647	3,926,631
Noncurrent Liabilities:				
Compensated Absences	2,721,480	-0-	2,721,480	2,533,134
Bonds, Notes, Leases and Other Payables:				
Due within One Year	4,006,000	1,081,520	5,087,520	5,019,473
Due in More Than One Year	68,496,000	23,976,390	92,472,390	57,346,417
Total Liabilities	94,713,837	28,373,786	123,087,623	85,973,887
<b><u>NET ASSETS:</u></b>				
Invested In Capital Assets, Net of Related Debt	352,072,052	72,410,556	424,482,608	392,073,152
Restricted For:				
General Fund	156,328	-0-	156,328	177,627
Debt service	1,779,700	-0-	1,779,700	979,700
Capital Projects	7,804,211	-0-	7,804,211	4,117,807
Road Funds	146,835	-0-	146,835	309,917
Unrestricted	39,245,504	28,901,116	68,146,620	94,199,792
Total Net Assets	\$ 401,204,630	\$ 101,311,672	\$ 502,516,302	\$ 491,857,995

**SANDY CITY**  
**Statement of Activities**  
**For the Year Ended June 30, 2008**  
**With Comparative Totals for the Year Ended 2007**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 8,211,847	\$ 35,343	\$ -0-	\$ -0-
Police & Animal Control	12,714,056	3,267,375	(93,310)	246,661
Fire	7,752,211	2,133,336	48,970	-0-
Public Works	5,235,022	94,711	3,276,347	5,655,393
Parks, Landscapes and Cemetery	4,073,782	643,916	13,748	417,193
Community Development	2,550,854	2,801,626	424,988	-0-
Economic Development	16,696,628	4,678,009	-0-	-0-
Recreation and Cultural Events	2,475,499	1,198,485	36,883	(130)
Electric Utility	1,002,939	9,147	-0-	-0-
Storm Water Utility	2,461,502	4,753,257	-0-	-0-
Interest on Long-Term Debt	3,267,144	-0-	-0-	-0-
Total Governmental Activities	66,441,484	19,615,205	3,707,626	6,319,117
Business-Type Activities:				
Alta Canyon Sports Center	1,174,844	736,662	-0-	-0-
Water	16,892,738	21,606,851	-0-	-0-
Waste	3,823,602	4,158,532	-0-	-0-
Golf Course	1,422,631	1,403,439	-0-	-0-
Total Business-Type Activities	23,313,815	27,905,484	-0-	-0-
Total Primary Government	\$ 89,755,299	\$ 47,520,689	\$ 3,707,626	\$ 6,319,117

General Revenues:

Property Taxes

Sales Taxes

Franchise Taxes

Motor Vehicle Taxes

Transient Room Taxes

Interest Income

Sundry Revenue

Transfers

Total General Revenues and Transfers

Change in Net Assets

Beginning Net Assets

Ending Net Assets

The accompanying notes are an integral part of this financial statement.



Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Comparative Total - 2007
\$ (8,176,504)	\$ -0-	\$ (8,176,504)	\$ (6,836,276)
(9,293,330)	-0-	(9,293,330)	(8,070,727)
(5,569,905)	-0-	(5,569,905)	(4,728,486)
3,791,429	-0-	3,791,429	(476,034)
(2,998,925)	-0-	(2,998,925)	(3,476,510)
675,760	-0-	675,760	1,027,375
(12,018,619)	-0-	(12,018,619)	2,819,187
(1,240,261)	-0-	(1,240,261)	(545,789)
(993,792)	-0-	(993,792)	(922,295)
2,291,755	-0-	2,291,755	1,439,837
(3,267,144)	-0-	(3,267,144)	(1,855,689)
(36,799,536)	-0-	(36,799,536)	(21,625,407)
-0-	(438,182)	(438,182)	(416,729)
-0-	4,714,113	4,714,113	3,074,601
-0-	334,930	334,930	778,250
-0-	(19,192)	(19,192)	49,843
-0-	4,591,669	4,591,669	3,485,965
(36,799,536)	4,591,669	(32,207,867)	(18,139,442)
7,538,275	362,227	7,900,502	7,809,697
19,746,002	-0-	19,746,002	19,286,918
7,145,328	-0-	7,145,328	7,091,234
757,242	40,583	797,825	874,503
2,710,280	-0-	2,710,280	-0-
1,872,278	858,769	2,731,047	3,047,303
1,835,190	-0-	1,835,190	974,505
(150,000)	150,000	-0-	-0-
41,454,595	1,411,579	42,866,174	39,084,160
4,655,059	6,003,248	10,658,307	20,944,718
396,549,571	95,308,424	491,857,995	470,913,277
<u>\$ 401,204,630</u>	<u>\$ 101,311,672</u>	<u>\$ 502,516,302</u>	<u>\$ 491,857,995</u>

**SANDY CITY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**  
**With Comparative Totals for 2007**

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds	
							Total	Comparative 2007
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 5,724,800	\$ 2,552,194	\$ 475,101	\$ 13,816,678	\$ 5,201,457	\$ 2,167,066	\$ 29,937,296	\$ 32,325,411
Receivables - Net	11,343,171	295,051	1,748,492	14,226	546,486	3,143	13,950,569	13,129,964
Cash Deposits	23,981	-0-	-0-	-0-	-0-	-0-	23,981	-0-
Due from other Govt. Units	1,030,899	-0-	-0-	3,268,712	-0-	83,713	4,383,324	1,694,038
Due From Other Funds	-0-	-0-	-0-	-0-	13,330	-0-	13,330	9,969
Prepaid Assets	156,328	-0-	-0-	-0-	-0-	-0-	156,328	177,627
Temporarily Restricted Cash:								
Road Funds	-0-	-0-	-0-	146,835	-0-	-0-	146,835	309,917
Capital Projects	-0-	-0-	-0-	7,804,211	124,212	-0-	7,928,423	4,117,807
Debt Service	-0-	-0-	1,779,700	-0-	-0-	-0-	1,779,700	979,700
Total Assets	18,279,179	2,847,245	4,003,293	25,050,662	5,885,485	2,253,922	58,319,786	52,744,433
<b>LIABILITIES AND FUND BALANCES:</b>								
Accounts Payable	729,413	63,549	-0-	1,835,581	315,718	520,452	3,464,713	2,299,958
Salaries & Benefits Payable	2,001,181	67,764	-0-	-0-	24,087	66,656	2,159,688	2,075,176
Due to Other Govt. Units	94,036	-0-	-0-	-0-	-0-	500	94,536	119,748
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	13,330	13,330	9,969
Deferred Revenue	7,051,589	-0-	1,692,792	-0-	-0-	-0-	8,744,381	8,952,590
Deposits	2,700,215	28,269	-0-	-0-	-0-	7,000	2,735,484	3,510,875
Total Liabilities	12,576,434	159,582	1,692,792	1,835,581	339,805	607,938	17,212,132	16,968,316
<b>Fund Balance</b>								
Reserved for:								
General Fund	156,328	-0-	-0-	-0-	-0-	-0-	156,328	177,627
Debt Service	-0-	-0-	1,779,700	-0-	-0-	-0-	1,779,700	979,700
Capital Projects	-0-	-0-	-0-	7,804,211	-0-	-0-	7,804,211	4,117,807
Roads	-0-	-0-	-0-	146,835	-0-	-0-	146,835	309,917
Unreserved Fund Balances								
General Fund	5,546,417	-0-	-0-	-0-	-0-	-0-	5,546,417	5,522,615
Special Revenue Fund	-0-	2,687,663	-0-	-0-	5,545,680	1,645,984	9,879,327	9,296,182
Debt Service Fund	-0-	-0-	530,801	-0-	-0-	-0-	530,801	2,228,398
Capital Projects Fund	-0-	-0-	-0-	15,264,035	-0-	-0-	15,264,035	13,143,871
Total Fund Balances	5,702,745	2,687,663	2,310,501	23,215,081	5,545,680	1,645,984	41,107,654	35,776,117
Total Liabilities and Fund Balances	\$ 18,279,179	\$ 2,847,245	\$ 4,003,293	\$ 25,050,662	\$ 5,885,485	\$ 2,253,922	\$ 58,319,786	\$ 52,744,433

The accompanying notes are an integral part of this financial statement.

## SANDY CITY

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets June 30, 2008

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#### Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Total Fund Balances for Governmental Funds (page 40)		\$ 41,107,654
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	216,709,436	
Buildings and Systems	54,210,487	
Improvements Other Than Buildings	11,432,365	
Vehicles	15,678	
Machinery and Equipment	1,059,669	
Infrastructure	119,285,367	
Construction in Progress	15,131,150	
Total Capital Assets		417,844,152
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as receivables.		
		823,710
A portion of the excess revenue collected by the internal service funds must be returned to the business-type activities.		
		(849,444)
Internal services funds are used by the City to charge the costs of the fleet operations, information services, risk management, equipment and employee benefits. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		16,356,123
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net assets.		
Accrued Interest Payable	(1,210,934)	
Unamortized Bond Issuance Costs	696,958	
Bonds, Notes and Leases Payable - Current	(4,006,000)	
Bonds, Notes and Leases Payable - Noncurrent	(68,496,000)	
Compensated Absences - Noncurrent	(1,061,589)	
		(74,077,565)
Net Assets of Governmental Activities (page 37)		\$ 401,204,630

The accompanying notes are an integral part of this financial statement.

# SANDY CITY

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the Year Ended June 30, 2008

With Comparative Totals for the Year Ended 2007

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds	
							Total	Comparative Total - 2007
<b>Revenues:</b>								
Taxes	\$ 34,882,239	\$ -0-	\$ 290,791	\$ -0-	\$ 7,378,289	\$ -0-	\$ 42,551,319	\$ 39,267,772
Special Assessments	-0-	-0-	351,841	-0-	-0-	-0-	351,841	345,358
Innkeeper Fees	-0-	-0-	309,467	-0-	-0-	-0-	309,467	268,062
Licenses & Permits	2,692,112	-0-	-0-	-0-	-0-	-0-	2,692,112	2,748,928
Inter-Governmental Revenue	3,690,894	-0-	-0-	3,987,392	-0-	659,468	8,337,754	5,342,008
Sponsors	-0-	-0-	-0-	-0-	-0-	145,600	145,600	89,427
Administrative Charges	1,774,104	-0-	-0-	-0-	-0-	-0-	1,774,104	1,705,077
Fines & Forfeitures	2,917,276	-0-	-0-	21,840	-0-	-0-	2,939,116	3,070,564
Cell Tower Lease	171,149	-0-	-0-	-0-	-0-	-0-	171,149	123,977
Fees from Developers	-0-	446,739	121,276	691,266	-0-	(2,965)	1,256,316	1,398,039
Charges for Sales & Services	2,291,005	2,989,155	301,594	-0-	-0-	1,007,407	6,589,161	5,895,752
Interest Income	206,103	117,882	100,858	901,073	331,820	214,543	1,872,279	2,104,221
Miscellaneous Revenues	39,037	1,309,205	-0-	-0-	10,000	142,735	1,500,977	809,866
Total Revenues	48,663,919	4,862,981	1,475,827	5,601,571	7,720,109	2,166,788	70,491,195	93,501,244
<b>Expenditures:</b>								
Current								
General Government	9,070,571	-0-	-0-	-0-	-0-	61,209	9,131,780	8,280,534
Police & Animal Control	12,737,859	-0-	-0-	-0-	-0-	330,745	13,068,604	12,306,945
Fire	8,004,435	-0-	-0-	-0-	-0-	57,819	8,062,254	6,889,773
Public Works	5,036,809	-0-	-0-	2,662,692	-0-	6,348	7,705,849	5,311,469
Parks, Landscapes and Cemetery	3,604,564	-0-	-0-	-0-	-0-	1,290	3,605,854	3,311,466
Community Development	2,239,782	-0-	-0-	-0-	-0-	298,309	2,538,091	2,400,364
Economic Development	-0-	-0-	-0-	-0-	16,682,595	-0-	16,682,595	1,775,785
Recreation and Cultural Events	-0-	-0-	-0-	-0-	-0-	2,205,304	2,205,304	1,936,972
Electric Utility	-0-	-0-	-0-	-0-	-0-	667,100	667,100	643,278
Storm Water Utility	-0-	1,667,288	-0-	-0-	-0-	-0-	1,667,288	1,284,352
Capital Outlays								
Public Works	-0-	-0-	-0-	11,237,405	-0-	-0-	11,237,405	8,475,804
Electric Utility	-0-	-0-	-0-	-0-	-0-	932,503	932,503	379,181
Storm Water Utility	-0-	3,238,733	-0-	-0-	-0-	-0-	3,238,733	4,226,935
Economic Development	-0-	-0-	-0-	-0-	19,753,981	-0-	19,753,981	1,775,785
Other Capital Outlays	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12,896
Debt Service								
Principal	-0-	-0-	5,161,760	-0-	-0-	-0-	5,161,760	3,931,253
Interest on Long-Term Debt	-0-	-0-	2,383,327	-0-	-0-	-0-	2,383,327	1,909,478
Bond Issuance Cost and Trustee Fees	-0-	-0-	616,554	-0-	9,013	-0-	625,567	15,988
Total Expenditures	40,694,020	4,906,021	8,161,641	13,900,097	36,445,589	4,560,627	108,667,995	64,868,258
Operating Income/(Loss) Before Depreciation	7,969,899	(43,040)	(6,685,814)	(8,298,526)	(28,725,480)	(2,393,839)	(38,176,800)	28,632,986
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,969,899	(43,040)	(6,685,814)	(8,298,526)	(28,725,480)	(2,393,839)	(38,176,800)	76,578
<b>Other Financing Sources (Uses):</b>								
Issuance of Debt	-0-	-0-	310,186	6,500,814	34,549,000	-0-	41,360,000	-0-
Bond Premium	-0-	-0-	282,793	-0-	-0-	-0-	282,793	-0-
Redemption of Refunded Bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(3,251,000)
Sale of Capital Assets	-0-	8,160	-0-	1,857,384	-0-	-0-	1,865,544	2,967,323
Transfers In	40,000	40,000	6,900,963	5,883,814	-0-	1,964,348	14,829,125	13,521,390
Transfers Out	(8,007,396)	(928,103)	(1,705,725)	(300,000)	(3,652,881)	(235,020)	(14,829,125)	(13,571,390)
Total Other Financing Sources (Uses)	(7,967,396)	(879,943)	5,788,217	13,942,012	30,896,119	1,729,328	43,508,337	(333,677)
Net Change in Fund Balances	2,503	(922,983)	(897,597)	5,643,486	2,170,639	(664,511)	5,331,537	(257,099)
Beginning Fund Balances	5,700,242	3,610,646	3,208,098	17,571,595	3,375,041	2,310,495	35,776,117	36,033,216
Ending Fund Balances	\$ 5,702,745	\$ 2,687,663	\$ 2,310,501	\$ 23,215,081	\$ 5,545,680	\$ 1,645,984	\$ 41,107,654	\$ 35,776,117

The accompanying notes are an integral part of this financial statement.

## SANDY CITY

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2008

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#### Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental (page 42)	\$ 5,331,537
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	36,565,899
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(1,206,532)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	24,003
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(35,861,440)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(952,783)
Internal service funds are used by the City to charge the costs of various activities to individual funds. A portion of the internal service funds net revenues is reported with governmental activities.	<u>754,375</u>
Change in Net Assets of Governmental Activities (page 38-39)	<u><u>\$ 4,655,059</u></u>

The accompanying notes are an integral part of this financial statement.

**SANDY CITY****General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>Revenues:</b>				
Taxes:				
General Property Taxes	\$ 7,161,723	\$ 7,161,723	\$ 7,233,667	\$ 71,944
General Sales & Use Taxes	20,139,000	20,139,000	19,746,002	(392,998)
Franchise Taxes	6,986,325	6,986,325	7,145,328	159,003
Motor Vehicle Fee	800,000	800,000	757,242	(42,758)
Total Taxes	35,087,048	35,087,048	34,882,239	(204,809)
Licenses & Permits	2,239,400	2,339,400	2,692,112	352,712
Inter-Governmental Revenue	3,557,620	3,637,492	3,690,894	53,402
Administrative Charges	1,774,104	1,774,104	1,774,104	-0-
Fines & Forfeitures	2,606,000	2,856,000	2,917,276	61,276
Cell Tower Lease	68,662	68,662	171,149	102,487
Charges for Sales & Services	1,963,000	2,051,200	2,291,005	239,805
Interest Income	324,250	324,250	206,103	(118,147)
Miscellaneous Revenues	17,000	17,000	39,037	22,037
Total Revenues	47,637,084	48,155,156	48,663,919	508,763
<b>Expenditures:</b>				
General Government:				
Mayor	515,731	515,731	509,912	5,819
City Administrator	2,581,259	2,581,259	2,407,506	173,753
City Council	563,276	563,276	527,264	36,012
City Attorney	1,174,171	1,174,172	1,174,172	-0-
Court Services	1,330,723	1,330,723	1,329,878	845
Finance	16,646,081	1,664,608	1,648,790	15,818
Non-Departmental	1,657,077	1,645,952	1,473,049	172,903
Total General Government	24,468,318	9,475,721	9,070,571	405,150
Public Safety:				
Police & Animal Control	12,739,435	12,744,635	12,737,859	6,776
Fire	7,800,533	8,017,405	8,004,435	12,970
Total Public Safety	20,539,968	20,762,040	20,742,294	19,746
Public Works	5,870,214	5,320,214	5,036,809	283,405
Parks and Cemetery	3,680,213	3,681,338	3,604,564	76,774
Community Development	2,242,955	2,242,955	2,239,782	3,173
Total Expenditures	56,801,668	41,482,268	40,694,020	788,248
Excess of Revenues Over Expenditures	(9,164,584)	6,672,888	7,969,899	1,297,011
<b>Other Financing Sources (Uses):</b>				
Transfers In	40,000	40,000	40,000	-0-
Transfers Out	(5,805,957)	(6,661,957)	(8,007,396)	(1,345,439)
Total Other Financing Sources (Uses)	(5,765,957)	(6,621,957)	(7,967,396)	(1,345,439)
Net Change in Fund Balances	(14,930,541)	50,931	2,503	(48,428)
Beginning Fund Balances	5,700,242	5,700,242	5,700,242	-0-
Ending Fund Balances	\$ (9,230,299)	\$ 5,751,173	\$ 5,702,745	\$ (48,428)

The accompanying notes are an integral part of this financial statement.

# SANDY CITY

## Storm Water Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Charges for Sales & Services	\$ 3,004,257	\$ 3,004,257	\$ 2,989,155	\$ (15,102)
Contributions from Developers	450,000	450,000	446,739	(3,261)
Interest Income	210,000	210,000	117,882	(92,118)
Miscellaneous Revenues	-0-	1,300,000	1,309,205	9,205
Total Revenues	3,664,257	4,964,257	4,862,981	(101,276)
<b>Expenditures:</b>				
Salaries and Benefits	672,039	672,039	730,919	(58,880)
Materials & Supplies	154,932	154,932	175,800	(20,868)
Contracted Services	142,403	142,403	61,521	80,882
Internal Charges	1,213,824	1,213,824	639,269	574,555
Administrative Charges	48,883	48,883	48,883	-0-
Cost of Goods Sold	11,355	11,355	10,896	459
Capital Outlays	3,766,510	5,066,510	3,238,733	1,827,777
Total Expenditures	6,009,946	7,309,946	4,906,021	2,403,925
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,345,689)	(2,345,689)	(43,040)	2,302,649
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	6,000	6,000	8,160	2,160
Transfers In	40,000	40,000	40,000	-0-
Transfers Out	(928,103)	(928,103)	(928,103)	-0-
Total Other Financing Sources (Uses)	(882,103)	(882,103)	(879,943)	2,160
Net Change in Fund Balances	(3,227,792)	(3,227,792)	(922,983)	2,304,809
Beginning Fund Balances	3,610,646	3,610,646	3,610,646	-0-
Ending Fund Balances	\$ 382,854	\$ 382,854	\$ 2,687,663	\$ 2,304,809

The accompanying notes are an integral part of this financial statement.

**SANDY CITY****Redevelopment Agency (RDA)****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
General Property Taxes	\$ 6,562,499	\$ 6,562,499	\$ 4,668,009	\$ (1,894,490)
Transient Room Tax	2,166,864	2,166,864	2,710,280	543,416
Interest Income	-0-	-0-	331,820	331,820
Miscellaneous Revenues	-0-	-0-	10,000	10,000
Total Revenues	8,729,363	8,729,363	7,720,109	(1,009,254)
<b>Expenditures:</b>				
Salaries and Benefits	308,636	308,636	274,171	34,465
Materials & Supplies	66,188	66,188	27,706	38,482
Contracted Services	16,342,542	16,342,542	16,264,983	77,559
Internal Charges	14,649	14,649	14,649	-0-
Administrative Charges	101,086	101,086	101,086	-0-
Bond Issuance Cost and Trustee Fees	-0-	-0-	9,013	(9,013)
Capital Outlays	26,106,187	24,800,187	19,753,981	5,046,206
Total Expenditures	42,939,288	41,633,288	36,445,589	5,187,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,209,925)	(32,903,925)	(28,725,480)	4,178,445
<b>Other Financing Sources :</b>				
Issuance of Debt	35,000,000	34,549,000	34,549,000	-0-
Transfers Out	(2,800,351)	(3,655,351)	(3,652,881)	2,470
Transfer to Reserves	(1,480,664)	(1,480,664)	-0-	1,480,664
Total Other Financing Sources	30,718,985	29,412,985	30,896,119	1,483,134
Net Change in Fund Balances	(3,490,940)	(3,490,940)	2,170,639	5,661,579
Beginning Fund Balances	3,375,041	3,375,041	3,375,041	-0-
Ending Fund Balances	\$ (115,899)	\$ (115,899)	\$ 5,545,680	\$ 5,661,579

The accompanying notes are an integral part of this financial statement.



**SANDY CITY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2008**

	<b>Business - Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Alta Canyon Sports Center</b>	<b>Water</b>	<b>Waste</b>	<b>Golf</b>	<b>TOTALS</b>	
<b><u>ASSETS:</u></b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 315,169	\$ 17,985,940	\$ 887,697	\$ 34,986	\$ 19,223,792	\$ 11,910,747
Receivables - Net	353,298	3,276,804	390,525	29,395	4,050,022	393,302
Cash Deposits	-0-	250,000	-0-	-0-	250,000	-0-
Due from other Govt. Units	-0-	1,118,744	-0-	-0-	1,118,744	-0-
Deferred Charges	-0-	227,921	-0-	-0-	227,921	-0-
Inventories	-0-	477,378	-0-	154,500	631,878	62,686
Total Current Assets	668,467	23,336,787	1,278,222	218,881	25,502,357	12,366,735
<b>Noncurrent Assets:</b>						
Investment in Joint Venture	-0-	-0-	5,949,710	-0-	5,949,710	-0-
<b>Capital Assets</b>						
Water Rights & Capacity	-0-	29,580,995	-0-	-0-	29,580,995	-0-
Land, Building, Plant, and Equipment	4,627,126	101,301,118	-0-	5,450,151	111,378,395	21,254,218
Accumulated Depreciation	(3,509,143)	(45,486,164)	-0-	(125,305)	(49,120,612)	(14,804,783)
Construction in Progress	-0-	5,538,463	-0-	6,706	5,545,169	280,465
Total Capital Assets	1,117,983	90,934,412	-0-	5,331,552	97,383,947	6,729,900
Total Noncurrent Assets	1,117,983	90,934,412	5,949,710	5,331,552	103,333,657	6,729,900
Total Assets	1,786,450	114,271,199	7,227,932	5,550,433	128,836,014	19,096,635
<b><u>LIABILITIES :</u></b>						
<b>Current Liabilities:</b>						
Accounts Payable	19,739	1,341,362	290,229	39,573	1,690,903	199,097
Salaries & Benefits Payable	65,197	177,106	8,239	27,822	278,364	123,259
Accrued Interest Payable	-0-	40,713	-0-	51,857	92,570	-0-
Due to Other Govt. Units	-0-	-0-	-0-	16,265	16,265	370,164
Deferred/Unearned Income	419,610	-0-	-0-	-0-	419,610	388,101
Deposits	19,000	751,751	8,466	21,946	801,163	-0-
Bonds Payable	-0-	800,000	-0-	180,000	980,000	-0-
Other Payables	-0-	101,520	-0-	-0-	101,520	-0-
Total Current Liabilities	523,546	3,212,452	306,934	337,463	4,380,395	1,080,621
<b>Noncurrent Liabilities</b>						
Compensated Absences	-0-	-0-	-0-	-0-	-0-	1,659,891
Bonds Payable	-0-	6,942,834	-0-	3,544,167	10,487,001	-0-
Notes Payable	-0-	13,506,390	-0-	-0-	13,506,390	-0-
Total Noncurrent Liabilities:	-0-	20,449,224	-0-	3,544,167	23,993,391	1,659,891
Total Liabilities	523,546	23,661,676	306,934	3,881,630	28,373,786	2,740,512
<b><u>NET ASSETS:</u></b>						
Invested In Capital Assets, Net of Related Debt	1,117,983	69,685,188	-0-	1,607,385	72,410,556	6,729,900
Unrestricted	144,921	20,924,335	6,920,998	61,418	28,051,672	9,626,223
Total Net Assets	\$ 1,262,904	\$ 90,609,523	\$ 6,920,998	\$ 1,668,803	100,462,228	\$ 16,356,123
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					849,444	
Net assets of business-type activities (page 37)					<u>\$ 101,311,672</u>	

The accompanying notes are an integral part of this financial statement.

# SANDY CITY

## Statement of Revenues, Expenses and Changes in Fund Net Assets

### Proprietary Funds

For the Year Ended June 30, 2008

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
<b>Operating Revenues:</b>						
Charges for Sales & Services	\$ 705,712	\$ 20,773,155	\$ 3,935,524	\$ 1,396,439	\$ 26,810,830	\$ 6,856,471
Fees from Developers	-0-	386,905	-0-	-0-	386,905	-0-
Miscellaneous Revenues	-0-	-0-	-0-	-0-	-0-	253,520
Total Operating Revenues	705,712	21,160,060	3,935,524	1,396,439	27,197,735	7,109,991
<b>Operating Expenses:</b>						
Salaries and Benefits	711,728	1,811,613	169,548	512,080	3,204,969	1,954,567
Materials & Supplies	147,936	450,140	68,794	174,432	841,302	63,462
Contracted Services	54,171	364,160	-0-	47,841	466,172	977,281
Internal Charges	35,410	456,974	137,990	78,863	709,237	28,692
Administrative Charges	61,295	782,867	271,009	38,520	1,153,691	357,745
Cost of Goods Sold	48,722	4,812,096	3,186,404	255,499	8,302,721	1,338,769
Non-Capital Improvements	28,119	4,247,430	1,377	99,517	4,376,443	650,827
Depreciation	91,802	2,974,806	-0-	40,895	3,107,503	1,754,524
Total Operating Expenses	1,179,183	15,900,086	3,835,122	1,247,647	22,162,038	7,125,867
Operating Income (Loss)	(473,471)	5,259,974	100,402	148,792	5,035,697	(15,876)
<b>Nonoperating Revenues (Expenses):</b>						
Property Taxes	402,810	-0-	-0-	-0-	402,810	386,462
Interest Income	7,428	812,410	32,927	6,004	858,769	448,853
Cell Tower Lease	31,582	235,773	-0-	-0-	267,355	-0-
Contributions from Developers	-0-	181,075	-0-	-0-	181,075	-0-
Equity Earnings from Joint Venture	-0-	-0-	223,008	-0-	223,008	-0-
Other Income (Expense)	(632)	36,520	-0-	(2,000)	33,888	-0-
Gain (Loss) on Disposal of Asset	-0-	(8,576)	-0-	7,000	(1,576)	160,856
Bond Interest Expense	-0-	(1,042,913)	-0-	(180,786)	(1,223,699)	-0-
Total Nonoperating Revenues (Expenses):	441,188	214,289	255,935	(169,782)	741,630	996,171
Income (Loss) Before Transfers	(32,283)	5,474,263	356,337	(20,990)	5,777,327	980,295
<b>Transfers:</b>						
Transfers In	-0-	-0-	-0-	150,000	150,000	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	(150,000)
Total Transfers	-0-	-0-	-0-	150,000	150,000	(150,000)
Change in Net Assets	(32,283)	5,474,263	356,337	129,010	5,927,327	830,295
Beginning Net Assets	1,295,187	85,135,260	6,564,661	1,539,793		15,525,828
Ending Net Assets	\$ 1,262,904	\$ 90,609,523	\$ 6,920,998	\$ 1,668,803		\$ 16,356,123
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					75,921	
Change in net assets of business-type activities (page 39)					\$ 6,003,248	

The accompanying notes are an integral part of this financial statement.

**SANDY CITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2008**

	<b>Business - Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Alta Canyon Sports Center</b>	<b>Water</b>	<b>Waste</b>	<b>Golf</b>	<b>TOTALS</b>	
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 700,281	\$ 21,395,769	\$ 3,895,730	\$ 1,391,957	\$ 27,383,737	\$ 7,100,069
Payments to Suppliers	(373,171)	(10,924,024)	(3,654,324)	(742,687)	(15,694,206)	(3,451,610)
Payments to Employees	(701,616)	(1,783,685)	(168,418)	(509,435)	(3,163,154)	(1,814,151)
Other Income (Expense)	(631)	36,520	-0-	(2,000)	33,889	-0-
Net Cash Provided (Used) by Operating Activities	(375,137)	8,724,580	72,988	137,835	8,560,266	1,834,308
<b>Cash Flows from Noncapital Financing Activities:</b>						
Tax Receipts	402,395	-0-	-0-	-0-	402,395	389,489
Transfers from Other Funds	-0-	-0-	-0-	150,000	150,000	(150,000)
Net Cash Provided from Noncapital Financing Activities	402,395	-0-	-0-	150,000	552,395	239,489
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition of Capital Assets	-0-	(5,483,227)	-0-	(18,941)	(5,502,168)	(2,146,954)
Cash Deposits for Construction	-0-	(250,000)	-0-	-0-	(250,000)	-0-
Capital Grants and Contributions	-0-	(1,070,536)	-0-	-0-	(1,070,536)	-0-
Principal Paid on Revenue Bonds	-0-	(834,220)	-0-	(170,000)	(1,004,220)	-0-
Interest Paid on Revenue Bonds	-0-	(968,930)	-0-	(180,770)	(1,149,700)	-0-
Proceeds from Cell Tower Leases	31,582	235,773	-0-	-0-	267,355	-0-
Contributions From Developers	-0-	181,075	-0-	-0-	181,075	-0-
Proceeds from Sale of Capital Assets	-0-	173,820	-0-	6,999	180,819	391,310
Net Cash Provided (Used) by Capital and Related Financing Activities	31,582	(8,016,245)	-0-	(362,712)	(8,347,375)	(1,755,644)
<b>Cash Flows from Investing Activities:</b>						
Interest Income Received	7,428	812,410	32,927	6,004	858,769	448,853
Net Increase (Decrease) in Cash and Cash Equivalents	66,268	1,520,745	105,915	(68,873)	1,624,055	767,006
Cash and Cash Equivalents - Beginning of Year	248,901	16,465,195	781,782	103,859	17,599,737	11,143,741
Cash and Cash Equivalents - End of Year	\$ 315,169	\$ 17,985,940	\$ 887,697	\$ 34,986	\$ 19,223,792	\$ 11,910,747
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>						
Operating Income (Loss)	\$ (473,471)	\$ 5,259,974	\$ 100,402	\$ 148,792	\$ 5,035,697	\$ (15,876)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>						
Depreciation	91,802	2,974,806	-0-	40,895	3,107,503	1,754,524
Other Non-Operating Income (Expenses)	(631)	36,520	-0-	(2,000)	33,889	-0-
Increase (Decrease) Due to Changes in:						
Accounts Receivables	(1,758)	(139,811)	(48,260)	(5,903)	(195,732)	(9,922)
Inventories	-0-	(90,359)	-0-	(25,484)	(115,843)	(4,591)
Prepaid Assets	-0-	555	-0-	-0-	555	-0-
Accounts Payable	2,482	279,447	11,250	(22,531)	270,648	(30,243)
Salaries & Benefits Payable	10,112	27,928	1,130	2,645	41,815	140,416
Deferred Revenue	(3,673)	-0-	-0-	-0-	(3,673)	-0-
Customer Deposits	-0-	375,520	8,466	1,421	385,407	-0-
Net Cash Provided (Used) by Operating Activities	\$ (375,137)	\$ 8,724,580	\$ 72,988	\$ 137,835	\$ 8,560,266	\$ 1,834,308
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Contributions of Capital Assets From Developers	-0-	181,075	-0-	-0-	181,075	-0-
Increase in Investments in Joint Venture	-0-	-0-	223,008	-0-	223,008	-0-

The accompanying notes are an integral part of this financial statement.

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The City operates under the council-mayor optional form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

As required by Accounting Principles Generally Accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these units are combined with data of the primary government. Each blended unit has a June 30 year end.

**Blended Component Units**

The Sandy Redevelopment Agency (the Agency) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the Agency. Therefore, the Agency is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The agency is reported as a Major Governmental Fund.

The Alta Canyon Recreation Special Service District (the District) was legally created as authorized by the Utah Special Service District Act. The District is within the boundaries of the City and services the northeast quadrant (approximately one-fourth) of the City. The District's Advisory Board is comprised of seven elected individuals. The Advisory Board establishes District policy, appoints the District officials, advises the City with respect to collection and disbursement of funds, and is responsible for funding deficits. The District also has the following powers: to sue and be sued, eminent domain, to enter into contracts, and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds shall be issued unless authorized by a majority of the qualified voters of the District.

The City Council approves the District's budget, property tax rate, issuance of any long-term debt, and can, at its discretion, dissolve the District. The District provides services which almost exclusively benefit the City. As of January 1, 2003, the District requested the City to take over the management of its daily operations. The District is reported as a blended component unit in the Enterprise Section of the financial statements.

**Investment in Joint Venture**

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities. The purpose of this joint venture is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method (see note 9).

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Related Organizations**

The City also has activities with Metropolitan Water District of Salt Lake and Sandy (MWDSL). City officials appoint members to the board of directors, but the City's accountability does not extend beyond making the appointments.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements. Governmental activities, which are largely supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services for support.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the Governmental Funds, Proprietary Funds, and Internal Service Funds. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the basic financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All Governmental Fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental Funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Governmental Fund financial statements are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally

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60 days. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred.

The Enterprise and Internal Service Fund financial statements are reported using the accrual basis of accounting. These funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds. Pronouncements of the Financial Accounting Standards Board (FASB) are applied if issued on or before November 30, 1989 and do not conflict with GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Description of Funds**

The City reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for the normal activities of the City (police, fire, public works, parks, community development, general government, etc.). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses, and permits.

The **Storm Water Fund** accounts for the City's revenues and capital expenditures associated with drainage for storm water runoff.

The **Debt Service Funds** are used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

The **Capital Projects Fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by Proprietary Funds. Capital Projects funds allow the City to compile project cost data and demonstrate that legal or contractual requirements, regarding the use of the resources, are fully satisfied. The principal source of funding is contributions from developers restricted for capital construction, transfers from the General Fund, grants, and bonding. All funds received for a particular purpose are restricted and used specifically for that purpose.

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The **RDA Fund** accounts for the City's revenues and expenditures associated with promoting new capital investment and job creation within the City.

The City reports the following major Proprietary Funds:

The **Alta Canyon Sports Center Fund** accounts for the activities created by the Alta Canyon Recreation Special Service District.

The **Water Fund** is used to account for the operations of the City's water utility.

The **Waste Fund** accounts for waste collection services provided by an independent contractor.

The **Golf Fund** is used to account for the City's golf course.

Additionally, the City reports the following fund types:

The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The Internal Service Funds include the Fleet Fund, the Information Services Fund, the Risk Management Fund, the Equipment Management Fund, and the Payroll Management Fund.

**Budget Operation**

The City operates within the budget requirements as specified by Utah state law. The financial reports reflect the following budget standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 22, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2008 have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.
5. As determined by Utah state law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.

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6. Budgets for the General, Special Revenue, Debt Service (General Purposes Debt Service Fund only), and Capital Projects Funds are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP). Special Assessment Funds are grouped with Debt Service Funds. Operating and capital budgets are required by Utah state law for Proprietary Fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for Special Assessment Funds are not required by Utah state law.
7. All unexpended appropriations lapse at the end of the budget year. However, unexpended Capital Projects Fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

**Encumbrances**

Encumbrance accounting is not employed by the City.

**Investments**

Investments in interest earning deposits are stated at cost plus or minus unamortized premiums or discounts which approximates fair value.

**Inventory**

The inventories are stated at the lower of cost, determined on the first-in first-out basis, or market.

**Deferred Charges**

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding or straight-line method, which approximates the interest method.

**Interfund Transactions**

In the normal course of its operations, the City has various transactions between funds. Various City funds provide a number of services such as administrative, fleet operations, information services, insurance and risk management, etc. to other City funds. Charges are treated as revenues in the fund providing the service and as operating expenses in the fund receiving the service. Non-recurring and non-routine transfers are accounted for as changes in fund balance. Other transfers are recognized as transfers in and out, respectively, by the funds involved. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

**Other Depreciable Property**

Other depreciable property, including autos, trucks, machinery and equipment, and office furniture and equipment, is stated at cost. Depreciation has been provided on a straight-line method over estimated useful lives.

**Water Rights**

Water stock, rights, and capacity are stated at cost.



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**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$7,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Wells	25 years
Water Tanks	25 years
Distribution Mains	33 years
Buildings and Structures	20-40 years
Pumps	8 years
Machinery and Equipment	5-10 years
Vehicles	5-15 years
Office Furniture and Equipment	5-10 years
Street Lights and Traffic Signals	30-50 years
Storm Water Improvements	40 years
Pools	30 years
Infrastructure	25 years

**Modified Approach**

With the implementation of GASB Statement No. 34, Sandy City began capitalizing roadway system infrastructure in fiscal year 2003. The City elected to follow the modified approach to account for this infrastructure. The City has made a commitment to preserve and maintain the roadway system of infrastructure assets at a condition level determined by the City. The City's Public Works department is responsible for determining the appropriate condition level at which the roadway system is to be maintained. No depreciation expense is reported for the roadway system after July 1, 2002; however, the estimated historical cost of roadway system infrastructure up to July 1, 2002 was recorded in total along with corresponding accumulated depreciation. Amounts capitalized in connection with improvements that lengthen the life of the roadway system are not reported unless the improvements also increase its service potential. The City maintains an inventory of the roadway system and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Annual estimates are made by the City of the amounts that must be expended to preserve and maintain the roadway system at the predetermined condition levels.

**Contributions**

Certain proprietary funds receive contributions for aid in construction from various sources. With the July 1, 2000 adoption of Statement of Governmental Accounting Standards (SGAS) No. 33, these contributions that

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were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue. With the July 1, 2001 adoption of SGAS No. 34, amounts that were contributed in prior years and were shown as contributed capital at June 30, 2002, have been reclassified as beginning net assets.

**Utility Revenue**

Throughout the year, revenue in the Water, Storm Water, Waste, and Electric Utility funds is recorded when billed. At year end, each fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date at fiscal year end.

**Deferred Revenue**

Deferred property tax revenue as of June 30, 2008 consists of property taxes levied for fiscal year 2007-2008 and collected in advance or recorded as a receivable. Deferred special assessment revenue as of June 30, 2008 consists of special assessments levied but not collected or available to pay liabilities of the current period.

**Total Columns**

The total columns shown on the accompanying fund financial statements are mathematical totals only and do not eliminate inter-fund transactions or include other entries required to present consolidated financial statements. The government-wide financial statements do, however, eliminate most inter-fund transactions and the double counting of revenues and expenses. They are therefore much closer to the consolidated financial statements presented in private sector accounting.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as receivables. The \$823,710 in receivables consists of \$328,039 of delinquent property taxes, \$446,845 of justice court receivables, and \$48,826 in prepaid assets.

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the governmental-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as

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depreciation expense.” The \$36,565,899 difference consists of \$39,294,342 of capital outlays less \$2,728,443 depreciation expense.

Another element of that reconciliation states that “The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The \$(35,861,440) represents \$5,161,760 in principal payments, \$(41,360,000) in bond proceeds, and \$336,800 in capitalized issuance costs.

**Note 3 - Property Taxes**

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By March 1, the City notifies the County Commission to establish a proposed date, time, and place for a tax rate adoption hearing.
2. By March 31, the County Treasurer settles property taxes charged and collected for the previous year.
3. By June 8, the County Auditor sends valuation, certified tax rate, and levy worksheet forms to the City.
4. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor.
5. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
6. By August 17, the City adopts the final tax rate and certifies the tax rate with the County Auditor.
7. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
8. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
9. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

With the July 1, 2000 adoption of Statement of Governmental Accounting Standards (SGAS) No. 33, more fully described below, Sandy City changed its method of accounting for property taxes. SGAS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines a nonexchange transaction as one in which “a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.” For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has

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recorded a receivable and a corresponding deferred revenue for the assessed amount of those property taxes as of January 1, 2008. Most of the tax will not be received until the following fiscal year.

**Note 4 - Cash and Cash Equivalents**

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Detailed accounting records are maintained for each individual fund; however, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for investment purposes.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds. The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's deposits are insured up to \$100,000 per account by the Federal Deposit Insurance Corporation (FDIC). Deposits above \$100,000 are exposed to credit risk. The bank balance of the City's deposits totaled \$1,679,165, with a carrying value of \$1,596,249. Of this amount, \$148,807 was insured and the remaining \$1,530,358 was uninsured and uncollateralized. The City has no formal policy regarding deposit credit risk.

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A summary of restricted and unrestricted cash and cash equivalents at June 30, 2008 is as follows:

	<b>Cash and Cash Equivalents</b>
Unrestricted	\$ 61,071,835
Restricted	9,854,958
<b>Total</b>	<b>\$ 70,926,793</b>
Deposits	\$ 1,596,249
Investments	69,330,544
<b>Total</b>	<b>\$ 70,926,793</b>

**Note 5 - Investments**

The City's investment policies are governed by state statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository; (3) commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's Inc., having a remaining term to maturity of 270 days or less; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farms Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer's Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Money Management Act.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by the Utah state Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council which

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oversees the activities of the state Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance. At June 30 and December 31 each year, the fair value of the investments is determined to enable participants (public entities having those year ends) to adjust their investments in this pool.

The Bank of New York and the state of Utah compare separately determined fair values for each security in accordance with GASB Statement No. 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2008) to determine an agreed upon fair value. As of June 30, 2008, the City's fair value investments in the PTIF was \$211,684 less than the amortized cost of \$69,542,228. The City's investments have been adjusted to show this decrease in value. At June 30, 2008, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
State of Utah PTIF	\$ 69,330,544	\$ 69,330,544			

**Credit Risk**

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances.

As of June 30, 2008, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
State of Utah PTIF	\$ 69,330,544				\$ 69,330,544

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of all investments in commercial paper, bankers' acceptances, fixed rate negotiable

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deposits, and fixed rate corporate obligations 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

As of June 30, 2008, the City had no investments requiring risk disclosure.

**Note 6 - Restricted Assets**

General Fund activity in unexpended state road funds, during fiscal year 2008, that are required by the Utah state law to be restricted for road construction and maintenance, are summarized as follows:

State Road Allotment	\$ 3,271,347
Expenditures: Highway Maintenance	<u>(3,271,347)</u>
Unexpended State Road Allotment	<u>\$ -0-</u>

**Debt Service Fund**

Pursuant to Utah state law and the bond indentures of the Auto Mall Special Improvement District Special Assessment Bonds, the City has created a Special Improvement Guarantee Fund. The assets of the Special Improvement Guarantee Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$196,000. As of June 30, 2008, the amount held of \$196,000 was in compliance with funding requirements.

Pursuant to Utah state law and the bond indentures of the South Towne Ridge Special Assessment Bonds, the City has created a Special Improvement District Fund. The assets of the Special Improvement District Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$76,200. As of June 30, 2008, the amount held of \$76,200 was in compliance with funding requirements.

Pursuant to the 2000 Motor Fuel Excise Tax Revenue Bonding Agreement, the City is required to have a debt service reserve of \$707,500. As of June 30, 2008, the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Pursuant to the 2007B Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, the City is required to have a debt service reserve of \$800,000. As of June 30, 2008, the City was in compliance with funding requirements.

**Other Governmental Funds**

Restricted assets represent unexpended receipts which are restricted for use on future capital projects. The changes in restricted balances during fiscal year 2008 are summarized as follows:

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	Road Funds	Capital Projects Fund					RDA Fund	Debt Service Funds
		Park & Trail Fees	Grants & Court Surcharge	Road Bond	Land Purchase/Other	Total		
Balance - July 1, 2007	\$ 309,917	\$ 1,823,177	\$ 876,971	\$ -0-	\$ 1,417,659	\$ 4,117,807	\$ -0-	\$ 979,700
Additions:								
Fees, Bond Proceeds, & Transfers In	418,296	411,804	4,008,231	6,500,813	1,986,198	12,907,046	7,908,692	800,000
Interest Earnings	27,692	73,388	17,555	157,985	104,780	353,708	53,409	-0-
Reductions: Expenditures & Transfers Out	(609,070)	(1,047,447)	(4,712,870)	(2,959,556)	(854,477)	(9,574,350)	(7,837,889)	-0-
Balance - June 30, 2008	\$ 146,835	\$ 1,260,922	\$ 189,887	\$ 3,699,242	\$ 2,654,160	\$ 7,804,211	\$ 124,212	\$ 1,779,700

**Business-Type Fund**

There are no restricted assets in the business-type funds.

**Note 7 - Receivables**

The \$15,118,755 in governmental receivables found in the Statement of Net Assets consists of \$12,733,210 in taxes, \$1,358,000 in special assessments, \$744,437 in billing receivables (less \$6,647 allowance for uncollectible accounts), and \$283,108 in other receivables.

The \$4,050,022 in business-type activities receivables are comprised of \$3,653,146 in billing receivables (less \$17,394 allowance for uncollectible accounts), \$351,160 in taxes receivable, and other receivables of \$45,716. The City expects to collect all of these receivables during fiscal year 2009.

**Note 8 - Due From/To Other Funds**

Short term interfund loans at June 30, 2008 are summarized as follows:

Fund	Due From Other Funds	Due to Other Funds
<b>Governmental Funds:</b>		
Redevelopment Agency - South Towne	\$ 13,330	
CDBG		\$ 13,330
<b>Total</b>	<b>\$ 13,330</b>	<b>\$ 13,330</b>

**Note 9 - Joint Venture**

The City has a 31.89 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the cities of Midvale, West Jordan, Murray, and Sandy, Utah. In 1997 the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping



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site situated east of Bingham Canyon in Salt Lake County. The percentage interest in operations for each of the entities is as follows:

Sandy City	31.89%
West Jordan City	25.39
Murray City	8.81
Midvale City	5.81
South Jordan	11.07
Draper	8.29
Riverton	<u>8.74</u>
Total	<u>100.00%</u>

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

The following is a summary of audited financial information of the Association for the fiscal year ended June 30, 2008:

**Assets:**

Current Assets	\$ 13,124,766
Property, Plant and Equipment - Net	5,849,536
Non Current Assets	<u>4,193,374</u>
Total Assets	<u>\$ 23,167,676</u>

**Liabilities:**

Current Liabilities	\$ 406,895
Noncurrent Liabilities	<u>4,103,805</u>
Total Liabilities	<u>\$ 4,510,700</u>

**Net Assets:**

Invested in Capital Assets,	
Net of Related Debt	\$ 5,849,536
Unrestricted	<u>12,807,440</u>
Total Net Assets	<u>\$ 18,656,976</u>

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**NOTES TO FINANCIAL STATEMENTS**  
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**Income Statement:**

Operating Revenue	\$ 5,496,165
Operating Expenses	<u>5,602,604</u>
Operating Income	(106,439)
Non-Operating Income	978,975
Capital Contributions	<u>388,626</u>
Change in Net Assets	<u><u>\$ 1,261,162</u></u>

The City paid \$572,506 to the Association for landfill costs during fiscal year 2008. Complete financial statements for the Association may be obtained at the following address:

Trans Jordan City Landfill  
PO Box 95610  
South Jordan, Utah 84095-0610

**Note 10 - Capital Assets**

The following tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2008:

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**Primary Government**

**Government Activities:**

Capital Assets, Not Being Depreciated:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 196,572,868	\$ 21,343,099	\$ 1,206,531	\$ 216,709,436
Infrastructure	116,909,683	2,375,684	-0-	119,285,367
Construction in Progress	8,702,848	11,231,670	4,522,903	15,411,615
Total Capital Assets, Not Being Depreciated	322,185,399	34,950,453	5,729,434	351,406,418

Capital Assets, Being Depreciated:

Buildings	33,869,186	2,354,124	-0-	36,223,310
Non-Building Imprv	16,748,527	2,735,876	-0-	19,484,403
Machinery & Equip	7,823,817	907,595	227,494	8,503,918
Autos & Trucks	14,931,872	1,760,555	1,458,330	15,234,097
Street Lights	9,329,621	932,503	-0-	10,262,124
Storm Water	27,617,971	2,323,094	-0-	29,941,065
Total Capital Assets being depreciated	110,320,994	11,013,747	1,685,824	119,648,917

Less Accumulated Depreciation:

Buildings	8,553,677	876,156	-0-	9,429,833
Non-Building Improvements	7,378,278	665,693	-0-	8,043,971
Machinery & Equipment	5,677,578	513,911	88,990	6,102,499
Autos & Trucks	10,099,863	1,385,318	1,366,380	10,118,801
Street Lights	2,440,050	326,529	-0-	2,766,579
Storm Water	9,304,240	715,360	-0-	10,019,600
Total Accumulated Depreciation	43,453,686	4,482,967	1,455,370	46,481,283

Total Capital Assets, Being Depreciated, Net

Governmental Activities Capital Assets, Net

\$ 389,052,707	\$ 41,481,233	\$ 5,959,888	\$ 424,574,052
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**Business-Type Activities:**

Capital Assets, Not Being Depreciated:

Water Rights & Capacity	\$ 29,568,031	\$ 33,005	\$ 20,041	\$ 29,580,995
Land	6,562,735	-0-	-0-	6,562,735
Construction in Progress	2,250,655	3,294,769	255	5,545,169
Total Capital Assets, Not Being Depreciated	38,381,421	3,327,774	20,296	41,688,899

Capital Assets, Being Depreciated:

Buildings	4,201,076	-0-	-0-	4,201,076
Non-Building Imprv	3,665,745	72,731	-0-	3,738,476
Main Lines	66,164,404	1,710,056	-0-	67,874,460
Wells	14,562,604	255	-0-	14,562,859
Storage Tanks	9,732,745	-0-	-0-	9,732,745
Pump Equipment	2,535,715	-0-	-0-	2,535,715
Pool	605,364	-0-	-0-	605,364
Autos & Trucks	387,086	251,909	100,699	538,296
Machinery & Equip	718,346	340,558	32,236	1,026,668
Total Capital Assets being depreciated	102,573,085	2,375,509	132,935	104,815,659

Less Accumulated Depreciation:

Buildings	1,470,765	103,121	-0-	1,573,886
Non-Building Imprv	2,499,306	103,321	-0-	2,602,627
Main Lines	28,716,389	1,906,934	-0-	30,623,323
Wells	3,693,545	540,406	-0-	4,233,951
Storage Tanks	6,095,482	301,200	-0-	6,396,682
Pump Equipment	2,498,364	37,351	-0-	2,535,715
Pool	443,478	20,178	-0-	463,656
Autos & Trucks	36,620	45,304	5,730	76,194
Machinery & Equip	578,879	49,688	13,990	614,577
Total Accumulated Depreciation	46,032,828	3,107,503	19,720	49,120,611

Total Capital Assets, Being Depreciated, Net

Business-Type Activities Capital Assets, Net

\$ 94,921,678	\$ 2,595,780	\$ 133,511	\$ 97,383,947
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Depreciation expense for the year ended June 30, 2008 for governmental and business-type activities are shown in the following table:

**Governmental Activities:**

General Government	\$	310,611
Police & Animal Control		183,791
Fire		176,261
Public Works		47,636
Parks, Landscapes and Cemetery		646,895
Community Development		40,688
Economic Development		6,765
Recreation and Cultural Events		247,379
Electric Utility		337,804
Storm Water Utility		730,613
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		1,754,524
Total Depreciation Expense - Governmental Activities	\$	4,482,967

**Business-Type Activities**

Alta Canyon Sports Center	\$	91,802
Water		2,974,806
Golf Course		40,895
Total Depreciation Expense - Business-Type Activities	\$	3,107,503

**Investment in Water Stock, Rights, and Capacity**

The Water Fund had the following investments in water stock, rights, and capacity at June 30, 2008:

Water Stock:	<u>Shares</u>	<u>Cost</u>
Bell Canyon Irrigation Company	1,873	\$ 454,257
Cahoon and Maxfield Irrigation Company	50	1,856
Draper Irrigation Company	125	131,255
East Jordan Irrigation Company	331	388,635
Granite Water Company	10	3,743
Last Chance Ditch Company	504	26,437
Little Cottonwood Water Company	11,358	113,580
Nickle Irrigation Company	1,084	196,161
Sandy Canal Company	265	172,563
Sandy Irrigation Company	1,772	944,946
Tanner Ditch Company	2	450
Union East Jordan Irrigation Company	943	52,008
Welby Jacob Water Users Company	9	9,050

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Water Stock (continued):	<u>Shares</u>	<u>Cost</u>
Provo Reservoir Water Users Company	52	780,178
Provo Bench Canal and Irrigation Company	1	27,975
North Jordan Irrigation Company	84	<u>199,500</u>
Total Water Stock		3,502,594
Water Rights - Thompson and Lym Ditches		38,581
Water Capacity		<u>26,039,820</u>
Total Water Stock, Rights and Capacity		<u>\$29,580,995</u>

**Note 11 - Changes in Long-Term Liabilities**

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the Governmental Activities of the government-wide statements. The following table summarizes changes in long-term obligations for the year ended June 30, 2008:

	<u>Rate (%)</u>	<u>Amount of Original Issue (bonds only)</u>	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>							
<b>General Obligation Bonds</b>							
2005 General Obligation Bonds	3.50 to 5.00	\$ 3,650,000	\$ 3,050,000	\$ -0-	\$ 625,000	\$ 2,425,000	\$ 655,000
<b>Revenue Bonds</b>							
2000 Motor Fuel Excise Tax	4.25 to 5.25	7,075,000	3,050,000	-0-	965,000	2,085,000	1,015,000
2002 Sales Tax Revenue	3.00 to 5.25	10,180,000	7,460,000	-0-	605,000	6,855,000	630,000
2003 Sales Tax Revenue	1.75 to 5.60	7,225,000	3,625,000	-0-	150,000	3,475,000	160,000
2004 Sales Tax Revenue	3.00 to 5.00	16,520,000	14,170,000	-0-	760,000	13,410,000	800,000
2007 Motor Fuel Excise Tax	4.00 to 5.00	6,360,000	-0-	6,360,000	-0-	6,360,000	-0-
2007 Transient Room Tax	4.88	35,000,000	-0-	35,000,000	-0-	35,000,000	460,000
<b>Special Assessment Bonds</b>							
2002 Auto Mall Refunding	2.73 to 5.83	1,960,000	1,352,000	-0-	203,000	1,149,000	209,000
2002B South Towne Ridge Road	2.80 to 5.80	762,000	492,000	-0-	74,000	418,000	77,000
<b>Notes Payable</b>							
HUD Section 108 Loan	2.62 to 4.62	2,515,000	1,595,000	-0-	270,000	1,325,000	-0-
<b>Long-Term Contract Payable</b>	5.00	2,516,267	1,509,760	-0-	1,509,760	-0-	-0-
<b>Long-Term Compensated Absences</b>			992,623	189,338	120,372	1,061,589	-0-
<b>Internal Service Fund Debt</b>							
Compensated Absences			1,540,511	191,393	72,013	1,659,891	74,089
Total Governmental Long-Term Obligations		93,763,267	38,836,894	41,740,731	5,354,145	75,223,480	4,080,089
<b>Business-Type Activities</b>							
<b>Revenue Bonds</b>							
2002B Sales Tax Revenue (Golf)	3.00 to 5.00	4,550,000	3,920,000	-0-	170,000	3,750,000	180,000
2005 Water Revenue and Refunding	2.50 to 5.00	9,965,000	8,475,000	-0-	775,000	7,700,000	800,000
<b>Long-Term Contract Payable</b>		13,832,100	13,667,130	-0-	59,220	13,607,910	101,520
Total Business-Type Long-Term Obligations		28,347,100	26,062,130	-0-	1,004,220	25,057,910	1,081,520
<b>Total Government Wide Long-Term Obligations</b>		<u>\$ 122,110,367</u>	<u>\$ 64,899,024</u>	<u>\$ 41,740,731</u>	<u>\$ 6,358,365</u>	<u>\$ 100,281,390</u>	<u>\$ 5,161,609</u>

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The annual debt requirements to maturity, including principal and interest, as of June 30, 2008 are listed in the following tables:

Year Ending June 30	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 655,000	\$ 80,563	\$ 3,065,000	\$ 3,117,196	\$ 286,000	\$ 72,203
2010	680,000	56,350	3,640,000	2,974,677	300,000	59,825
2011	710,000	29,400	3,175,000	2,798,678	313,000	46,325
2012	380,000	7,600	3,375,000	2,658,884	327,000	31,904
2013	-0-	-0-	3,615,000	2,506,628	341,000	16,443
2014-2018	-0-	-0-	20,380,000	9,706,133	-0-	-0-
2019-2023	-0-	-0-	14,670,000	5,385,816	-0-	-0-
2024-2028	-0-	-0-	15,265,000	1,781,763	-0-	-0-
2029-2033	-0-	-0-	-0-	-0-	-0-	-0-
Subtotal	<u>\$ 2,425,000</u>	<u>\$ 173,913</u>	<u>\$ 67,185,000</u>	<u>\$ 30,929,775</u>	<u>\$ 1,567,000</u>	<u>\$ 226,700</u>
Less: Unamortized (Premiums), Discount, and Costs	(18,508)		683,304		25,576	
<b>Net Debt</b>	<u><u>\$ 2,443,508</u></u>		<u><u>\$ 66,501,696</u></u>		<u><u>\$ 1,541,424</u></u>	

Year Ending June 30	Governmental Activities (Continued)				Business Activities	
	Notes & Other Payables		Totals		Bonds & Other Payables	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ -0-	\$ 81,572	\$ 4,006,000	\$ 3,351,534	\$ 1,081,520	\$ 1,119,172
2010	150,000	47,235	4,770,000	3,138,087	1,213,040	1,083,926
2011	165,000	42,704	4,363,000	2,917,107	701,500	1,051,490
2012	175,000	37,128	4,257,000	2,735,516	847,630	1,024,110
2013	190,000	30,489	4,146,000	2,553,560	910,700	988,710
2014-2018	645,000	42,249	21,025,000	9,748,382	5,371,500	4,262,539
2019-2023	-0-	-0-	14,670,000	5,385,816	6,869,060	2,826,334
2024-2028	-0-	-0-	15,265,000	1,781,763	5,051,200	1,298,519
2029-2033	-0-	-0-	-0-	-0-	3,011,760	277,294
Subtotal	<u>\$ 1,325,000</u>	<u>\$ 281,377</u>	<u>\$ 72,502,000</u>	<u>\$ 31,611,765</u>	<u>\$ 25,057,910</u>	<u>\$ 13,932,094</u>
Less: Unamortized (Premiums), Discount, and Costs	6,586		696,958		210,920	
<b>Net Debt</b>	<u><u>\$ 1,318,414</u></u>		<u><u>\$ 71,805,042</u></u>		<u><u>\$ 24,846,990</u></u>	

**General Obligation Bonds**

On September 27, 2005, the City issued \$3,650,000 in General Obligation Refunding Bonds (Series 2005) with a maturity date of December 15, 2011 at an average interest rate of 3.865 percent to advance refund \$3,670,000 of the outstanding 1995 Series bonds with interest rates of 3.60 to 5.50 percent. The net proceeds of \$3,738,640 (after a City transfer of \$63,000, an issuance premium of \$90,797, and \$65,157 in miscellaneous issuance costs) were used to purchase U.S. Treasury Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1995 Series bonds. As a result, the 1995 Series bonds are considered to be defeased and the liability for those bonds has been

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removed from the financial statements. The 2005 General Obligation Refunding Bonds are not subject to redemption prior to maturity.

**Special Improvement Bonds with Governmental Commitment**

Principal and interest on special improvement bonds are paid, in whole or in part, from pledged special assessment collections. The primary source of repayment of the special assessment debt is assessments against the benefitted property owners. This debt is secured by liens on assessed property and is also backed by the full faith and credit of the City as additional security (see debt service reserve requirement in note 6).

A separate fund, the Special Improvement Debt Service Fund, has been established to contain the receipts derived by the City from the special assessments levied upon the property included in the special improvement districts together with interest on the assessments and, if necessary, additional funds transferred by the City to the debt service fund. Under the terms of the special improvement bond resolutions and state law, the City has agreed to maintain a special improvement guarantee account for the benefit of the bondholders.

On September 1, 2002, the City issued \$1,960,000 in Special Assessment Refunding Bonds (Auto Mall) at rates from 2.73 to 4.83 percent with a final maturity date of September 1, 2012. This bond replaced the 1993 Special Assessment bond. The Special Improvement District No. 90-1 (Auto Mall) was originally established by the City for the purpose of making improvements within the District. Assessments have been levied against the property included within the district to finance the cost of the improvements, all in conformance with and subject to the requirements of the Improvement District Act. The total principal and interest remaining to be paid on the bonds is \$1,315,325. The bonds are subject to redemption at any time. The redemption of the bonds will be at par, plus accrued interest to the date of redemption.

On December 19, 2002, the City issued \$762,000 in Special Assessment Bonds at rates from 2.80 to 4.80 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2000-1 (South Towne Ridge Road) was established by the City to acquire land and rights of way, to construct roads, and to install water, sewer, and storm drain improvements. The total principal and interest remaining to be paid on the bonds is \$478,374. The bonds maturing on or before December 15, 2007 are not subject to optional redemption. The bonds maturing on and after December 15, 2008 are subject to optional redemption in whole or in part and any day after December 15, 2007. The redemption price is equal to 100 percent of the principal amount to be redeemed, plus accrued interest to the redemption date.

It is estimated that 100 percent of pledged special assessment collections will be used to pay principal and interest on the special assessment bonds.

**Motor Fuel Bonds**

On March 7, 2000, the City issued \$7,075,000 in Motor Fuel Excise Tax Revenue Bonds. The Series 2000 bonds bear interest at 4.25 to 5.25 percent and have a final maturity of January 15, 2010. The bonds were issued to finance the construction or repair of streets located within the City boundaries. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds. The total principal and interest payments remaining total \$2,249,369. The Series 2000 bonds are not callable for redemption prior to maturity.

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On November 9, 2007, the City issued \$6,360,000 in Motor Fuel Excise Tax Revenue Bonds (Series 2007) at rates from 3.68 to 4.00 percent with a final maturity date of January 15, 2017. The bonds were issued to i) finance the acquisition, construction, and improvements of roads and related improvements, and ii) pay the closing costs of issuing the Series 2007 bonds. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds. The remaining principal and interest payments total \$8,090,600. The Series 2007 bonds are not callable for redemption prior to maturity.

For the current year, principal and interest paid and total motor fuel excise tax revenues were \$1,174,920 and \$3,271,347, respectively. It is estimated that annual principal and interest payments on the bonds will require approximately 36 percent of motor fuel excise tax revenues.

**Water Bonds**

On April 22, 2004, the Water Utility issued \$9,965,000 in Water Revenue and Refunding Bonds (Series 2004) at rates from 2.50 to 5.00 percent with a final maturity date of November 15, 2025. The bonds were issued for the purpose of i) refunding all of the City's outstanding Water Revenue and Refunding Bonds, Series 1993A, ii) financing costs of certain improvements to the City's water system and iii) paying costs of issuance of the Series 2004 Bonds. The bonds are payable solely by a pledge and assignment of water system revenues, after payment of operation and maintenance expenses. The total principal and interest remaining to be paid on the bonds is \$10,680,188. Principal and interest paid for the current year and net available revenues were \$1,109,103 and \$6,517,176, respectively. It is estimated that annual principal and interest payments are expected to require less than 39 percent of net revenues.

The bonds maturing on or before November 15, 2014, are not subject to optional redemption prior to maturity. Bonds maturing on or after November 15, 2015 are subject to redemption at the option of the City on November 15, 2014 and on any date thereafter prior to maturity. The redemption price will be equal to 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The bond resolution approved in conjunction with the issuance of the Series 2004 bonds provides, among other things, that certain funds be established and that certain accounting procedures be followed. Under the terms of the resolution, the City will establish and collect rates and charges (including impact fees and connection fees) which are reasonably expected to produce net revenues equal to 110 percent of the aggregate annual debt service requirement for such year.

**Sales Tax Revenue Bonds**

Sales Tax Revenue Bonds are special limited obligations of the City that are backed by the sales and use taxes levied by the City under the Local Sales and Use Tax Act.

On February 15, 2002, the City issued \$10,180,000 in Sales Tax Revenue Bonds (Series 2002) at rates from 3.00 to 5.25 percent with a final maturity date of September 15, 2016. The bonds were issued to finance the costs associated with acquiring, constructing, and equipping certain storm drain improvements and paying the costs of issuing the bonds. Total principal and interest remaining on the bonds is \$8,427,203. The bonds maturing on or prior to September 15, 2011 are not subject to redemption prior to maturity, while those maturing



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on or after September 15, 2012 are subject to redemption at the election of the City on March 15, 2012 and on any date thereafter. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On July 1, 2002, the City issued \$4,550,000 in Sales Tax Revenue Bonds (Series 2002B) at rates from 3.00 to 4.50 percent with a final maturity date of September 15, 2023. The bonds were issued to finance costs associated with acquiring, constructing, and equipping a golf course (River Oaks) and park improvements, and paying the costs of issuing the bonds. Total principal and interest remaining on the bonds is \$5,288,798. The bonds maturing on or prior to September 15, 2012 are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012 are subject to redemption at the election of the City on September 15, 2012 and on any date thereafter. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On August 15, 2003, the City issued \$7,225,000 in Sales Tax Revenue Bonds (Series 2003) at rates from 1.75 to 4.60 percent with a final maturity date of September 15, 2023. The bonds were issued to finance the costs associated with i) acquiring a justice court building, ii) refunding of the 1996 Motor Fuel Excise Tax Revenue bonds and the 1994B Lease Revenue bonds and iii) paying issuance costs of the bonds. Remaining principal and interest payments on the bonds total \$4,814,198. The bonds maturing on or before September 15, 2013, are not subject to optional redemption prior to maturity, while those maturing on or after September 15, 2014 are subject to redemption at the election of the City. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On November 1, 2004, the City issued \$16,520,000 in Sales Tax and Refunding Bonds (Series 2004) at rates from 3.0 percent to 5.0 percent with a final maturity date of June 15, 2020. The bonds were issued to i) refund the 1998C and 1999 Municipal Building Authority Lease Revenue Bonds, ii) finance the costs associated with the acquisition, construction and equipping of road improvements, park improvements and other City-owned capital improvements and iii) pay costs associated with the issuance of the 2004 Bonds. The total principal and interest remaining to be paid on the bonds is \$17,946,675. The 2004 bonds maturing on or after June 15, 2014 are not subject to optional redemption prior to maturity. The 2004 bonds maturing on or after June 15, 2015 are subject to redemption at the option of the City on June 15, 2014, and on any date thereafter prior to maturity at a redemption price equal to 100 percent of the principal amount of the 2004 bonds to be redeemed, plus accrued interest thereon on the redemption date.

Principal and interest paid for the current year on all outstanding Sales Tax Revenue Bonds and total sales and use tax revenues were \$2,962,403 and \$19,746,002, respectively. It is estimated that approximately 15 percent of sales and use tax revenues will be used for annual principal and interest payments.

**Transient Room Tax Revenue Bonds**

On August 21, 2007, the City's Redevelopment Agency issued \$27,000,000 in Transient Room Tax Revenue Bonds, Series 2007A, and \$8,000,000 in Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, Series 2007B, at a 4.88 interest rate with a final maturity date of July 15, 2027. The bonds were issued to i) finance the costs of acquiring land for a new soccer stadium and related facilities, ii) acquire and construct infrastructure, parking, landscaping, and related improvements in connection with such stadium to be built in the City and more specifically within the Community Development Project Area, and iii) pay costs

**SANDY CITY**  
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associated with the issuance of the bonds. The total amount of principal and interest remaining to be paid on the bonds is \$57,092,492. The City's portion of the transient room tax has been pledged as collateral for these bonds. Annual principal and interest payments on the bonds are estimated to require between 96 and 98 percent of transient room tax revenues.

For both the Series 2007A and 2007B bonds, up to \$1,000,000 in aggregate principal amount are subject to redemption, but only from excess revenues, at the option of the Issuer on any Interest Payment Date prior to maturity. The redemption price is equal to 100 percent of the principal amount of the Series 2007A and Subordinate Series 2007B bonds to be redeemed, plus accrued interest thereon to the redemption date.

Series 2007A and 2007B bonds maturing on or after July 15, 2018, are also subject to redemption at the option of the issuer on July 15, 2017, and on any date thereafter prior to maturity, in whole or in part, at a redemption price of 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest to the date of redemption.

**Notes Payable**

On June 6, 1996, the City issued a \$2,515,000 note, guaranteed by the U.S. Department of Housing and Urban Development (HUD), for the creation of a Senior Citizen's Center. Interest on the note payable is variable, based upon LIBOR plus 0.2 percent. For the purpose of estimating debt service requirements, interest rates between 5.87 and 7.03 percent have been derived. The date of maturity on the note payable is August 1, 2015.

On June 12, 2008, the City refinanced the remaining \$1,325,000 balance of the 1996 HUD Section 108 note, guaranteed by the U.S. Department of Housing and Urban Development (HUD), at interest rates ranging from 2.62 to 4.62 percent with a final maturity date of August 1, 2015. The net present value of the interest savings is expected to be \$138,215.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned vacation benefits. All vacation pay is accrued when incurred in the government-wide funds financial statements. The liability for these amounts is funded in the Payroll Management Fund, an internal service fund, for proprietary funds and governmental funds if they have matured.

**Contracts Payable**

During fiscal year 2005, the City acquired preferential water rights for water produced from the Ontario Drain Tunnel through MWDSLS. MWDSLS issued \$81,750,000 in Series 2005 A & B Water Revenue Bonds bearing interest rates from 3.0 percent to 5.0 percent. The City will pay 16.92 percent of this debt to MWDSLS over 27 years (the life of the debt).

During fiscal year 2006, the City began paying MWDSLS for property purchased by MWDSLS on the City's behalf. This land will be used for the future 2000 East corridor. The City paid a total of \$2,516,267 plus interest calculated at 5 percent a year, with the final payment occurring in July 2007. Additional information concerning committed payments to MWDSLS can be found in Note 17 - Commitments and Contingencies.

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**Defeasance of Debt**

During fiscal year 2004, the City issued \$7,225,000 in Sales Tax Revenue and Refunding Bonds. \$3,160,000 of the proceeds were used to advance refund \$1,080,000 of the outstanding 1994B Lease Revenue Bonds and \$3,410,000 of the 1996 Motor Fuel Excise Tax Revenue Bonds. At June 30, 2008, the balance of bonds which were considered extinguished was \$0.

During fiscal year 2004, the City issued \$9,965,000 in Water Revenue and Refunding Bonds. \$3,890,000 of the proceeds were used to advance refund \$5,975,000 of the outstanding 1993A Water Revenue Refunding Bonds. As of June 30, 2008, the balance of bonds which were considered extinguished was \$1,625,000.

During fiscal year 2005, the City issued \$16,520,000 in Sales Tax Revenue and Refunding Bonds. \$14,990,000 of the proceeds were placed in an irrevocable trust to advance refund \$7,150,000 of the 1998C MBA Lease Revenue Bonds and \$8,545,000 of the 1999 MBA Lease Revenue Bonds. At June 30, 2008, the balance of bonds which were considered extinguished was \$13,145,000.

**Note 12 - Industrial Development Revenue Bonds**

The City has issued industrial development revenue bonds for the benefit of various developers to aid in building a commercial base within Sandy City limits. Principal and interest payments of such industrial development revenue bonds are to be made entirely by the various developers. The City will not become liable for these bonds even if developers can no longer make the payments. Consequently, the following bonds and their related interest are not shown as a liability in the accompanying financial statements:

<b>Description of Industrial Revenue Bonds Issued</b>	<b>Year Issued</b>	<b>Maturity Date</b>	<b>Original Amount</b>	<b>Total Retired</b>	<b>Outstanding at 6/30/08</b>
DREE Project	1985	11/15/10	\$ 8,770,000	\$ 6,175,000	\$2,595,000
South Towne Hotel Associates Project	1985	11/20/10	9,350,000	6,755,000	2,595,000
H. Shirl Wright Project	1986	12/15/16	9,000,000	4,100,000	4,900,000
<b>Total Industrial Revenue Bonds Issued for Developers</b>			<b>\$ 27,120,000</b>	<b>\$17,030,000</b>	<b>\$ 10,090,000</b>

**Note 13 - Pension Plans**

**Plan Description**

The state of Utah requires all agencies with public employees to contribute to Utah State Retirement Systems (USRS). Based upon the type of public employee and their retirement elections, the City contributes to various plans within the USRS: the Local Governmental Contributory Retirement System, the Local Governmental Non-Contributory Retirement System, the Public Safety Retirement System for employers without Social Security coverage, the Firefighters Retirement System which is for employers without Social Security

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the USRS. USRS provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the state Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended which also establishes the Utah State Retirement Office. Chapter 49 places the Systems, the Office and related plan and programs under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-753-7361.

**Funding Policy**

Plan members in the Local Government Contributory Retirement System are required to contribute based upon participating employees' annual salaries. The contribution rates in effect from July 1, 2007 through June 30, 2008 are as follows:

	<b>Employee Paid</b>	<b>Employee Contributions Paid by City (100% Vested)</b>	<b>City's Matching Contributions</b>	<b>Total Contribution</b>
Local Government Contributory Retirement System	N/A	6.00 %	7.61 %	13.61 %
Local Government Non-Contributory Retirement System	N/A	N/A	11.62	11.62
Public Safety Retirement System Contributory for employers without Social Security coverage	6.24 %	4.26	15.69	26.19
Public Safety Retirement System Non-Contributory for employers without Social Security coverage	N/A	N/A	25.49	25.49
Firefighters' Retirement System for employers without Social Security coverage	N/A	9.30	N/A	9.30

The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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**Trend Information**

The following contributions have been made in the past three years and were equal to the required contributions for each fiscal year ending on June 30th:

	2006	2007	2008
Local Governmental Contributory Retirement System	\$ 122,170	\$ 125,390	\$ 127,756
Local Governmental Non-Contributory Retirement System	1,210,193	1,364,971	1,479,849
Public Safety Retirement System Contributory for employers without Social Security coverage	1,114,075	1,341,356	1,385,149
Public Safety Retirement System Non-Contributory for employers without Social Security coverage	N/A	N/A	7,552
Firefighters Retirement System for employers without Social Security coverage	285,081	325,344	375,847
Total	\$ 2,731,519	\$ 3,157,061	\$ 3,376,153

**Note 14 - Deferred Compensation Plans**

The City offers its employees a 457 deferred compensation plan and 401(K) defined contribution tax-sheltered annuity plan. Both plans are provided for within the Internal Revenue Code. The plans, assets, and associated liabilities are administered by external agencies: ICMA Retirement Corporation and Utah State Retirement Systems (USRS). The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plan is held solely for the benefit of the employees. As a result, the City does not carry the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(K) plan for and on behalf of its public employees, elected and appointed officials, and City Council members. Temporary and seasonal employees receive a City-provided 457 plan contribution. The City Council authorizes a percentage based upon an employees base wage to be contributed into deferred compensation plans: 17.95 percent for full-time employees, 19.95 percent for public safety employees, 8.05 percent for the mayor and council members, and 7.50 percent for temporary and seasonal employees. As noted previously, the USRS deferred compensation rate is actuarially determined by the State depending upon the employee classification. The required contribution rates to the 401(K) plan equals the City Council authorized amount less the USRS mandated rate and are as follows: Public Employees covered under the Non-Contributory State Retirement 6.33 percent, Public Employees covered under the Contributory State Retirement 4.34 percent, Elected/Appointed Officials 17.95 percent, Firefighters 8.65 percent, and City Council members 8.05 percent. Because the deferred compensation rate for the Public Safety Retirement System

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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exceeds 19.95 percent, the City does not pay into the 401(k) plan for police officers. The required contribution rate to the 457 plan on behalf of temporary and seasonal employees is 7.5 percent. The City's total contributions were \$1,729,625 which is 6.2 percent of the \$27,674,456 in total payroll for covered employees for the year ended June 30, 2008. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$1,213,796 for the year ended June 30, 2008. At June 30, 2008 the City has made all payments to the plan administrator to satisfy this funding requirement.

**Note 15 - Post Employment Benefits**

The City allows terminated or retired employees to continue their health insurance benefits for a period of 18 months after the employee's termination or retirement date. The City will pay up to two months of these premiums for an employee and their plan dependents in the event that (1) a current full or part time employee dies, or (2) a full or part time employee is approved for disability due to their diagnosis as terminally ill. All other terminated or retired employees are required to pay the full cost of such extended health insurance coverage. As of June 30, 2008, four employees had elected to participate in this post-employment benefit program. The administrative costs to the City for such benefits were not significant.

**Note 16 - Vacation and Sick Leave**

The City permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements.

Employees can accrue vacation days at various rates depending upon length of service. There are no requirements that vacation leave be taken, but the maximum permissible accumulation is 320 hours except for firefighters who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave.

The Payroll Management Fund, an internal service fund, contains the City's entire compensated absences liability except for the long-term liability portion of the General Fund. The long-term liability portion in the General Fund is considered to be any amount in excess of what an employee can accrue in one year. As of June 30, 2008, the General Fund long-term liability portion is \$1,061,589.

Employees earn sick leave at the rate of 12 days per year. Unused sick leave may be carried forward to subsequent years. An unlimited amount of sick leave can be accumulated.

**Note 17 - Commitments and Contingencies**

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes that it has meritorious defenses and that any liability resulting from these matters would

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements.

Commitments for major construction and capital improvements projects totaled \$11,428,243 at June 30, 2008.

The Sandy City Redevelopment Agency (RDA), a governmental-type fund, has two outstanding commitments for payment of tax increment to Jordan School District and the Salt Lake County Sewer District. The following is a schedule of estimated future payments to both of these entities as of June 30, 2008. Estimates are based on 2008 property tax rates and values:

	RDA Fund
2009	\$ 65,568
2010	65,568
2011	61,056
2012	61,056
2013	61,056
2014-2018	224,054
2019-2023	67,962
	<u>\$ 606,320</u>

The Public Utilities department (an enterprise fund) currently has a long-term commitment payable to MWDSLS for various capital improvements. The following is a schedule of future payments due to MWDSLS for capital improvements as of June 30, 2008:

	Water Fund
2009	\$ 4,210,322
2010	4,210,322
2011	4,210,322
2012	4,210,322
2013	4,210,322
2014-2018	21,051,610
2019-2023	21,051,610
2024-2028	21,051,610
2029-2033	21,051,610
2034-2038	8,420,644
	<u>\$ 113,678,694</u>

In the normal course of operations, the City receives grant funds from various Federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**Note 18 - Transfers In/Out**

During the course of normal operations, the City has transfers between the various funds. The principal purposes of the City's interfund transfers are debt service and capital projects. Transfers in and out for the year ended June 30, 2008 are summarized as follows:

<b>Transfers Out From :</b>								
	<b>General</b>	<b>Redevelopment Agency</b>	<b>Community Development</b>	<b>Storm Water Utilities</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Risk Management</b>	<b>Total Transfers In</b>
<b>Transfers in to the following funds:</b>								
General	\$ -0-	\$ 40,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 40,000
Community Arts	468,220	-0-	-0-	-0-	-0-	-0-	-0-	468,220
Amphitheater	208,027	-0-	-0-	-0-	-0-	-0-	-0-	208,027
Recreation	270,825	-0-	-0-	-0-	-0-	-0-	-0-	270,825
Electric Utilities	1,017,276	-0-	-0-	-0-	-0-	-0-	-0-	1,017,276
Storm Water	-0-	40,000	-0-	-0-	-0-	-0-	-0-	40,000
Debt Service	2,014,959	3,422,881	235,020	928,103	-0-	300,000	-0-	6,900,963
Capital Projects	4,028,089	-0-	-0-	-0-	1,705,725	-0-	150,000	5,883,814
Golf	-0-	150,000	-0-	-0-	-0-	-0-	-0-	150,000
<b>Total Transfers Out</b>	<b>\$ 8,007,396</b>	<b>\$ 3,652,881</b>	<b>\$ 235,020</b>	<b>\$ 928,103</b>	<b>\$ 1,705,725</b>	<b>\$ 300,000</b>	<b>\$ 150,000</b>	<b>\$ 14,979,125</b>

**Note 19 - General Fund Administrative Charges**

The General Fund charges certain special revenue funds and proprietary funds for various administrative services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2008 are as follows:

	<b>General Government</b>	<b>Public Works Administration</b>	<b>Total</b>
<b>Special Revenue Funds:</b>			
Redevelopment Agency	\$ 97,539	\$ 3,547	\$ 101,086
Recreation	31,500	-0-	31,500
Sandy Arts Guild	7,875	-0-	7,875
Storm Water Utilities	122,207	-0-	122,207
<b>Enterprise Funds:</b>			
Alta Canyon Sports Center	61,295	-0-	61,295
Water	782,867	-0-	782,867
Waste Collection	170,178	100,831	271,009
Golf	38,520	-0-	38,520



**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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**Internal Service Funds:**

Fleet Operations	79,949	26,629	106,578
Information Services	179,277	-0-	179,277
Risk Management	<u>71,890</u>	<u>-0-</u>	<u>71,890</u>
Total	<u>\$ 1,643,097</u>	<u>\$ 131,007</u>	<u>\$ 1,774,104</u>

**Note 20 - Risk Management**

The City is exposed to various risks of loss including torts; workers compensation claims; theft, damage or destruction of assets; errors and omissions; and natural disasters. Insurance coverages for these risks were provided by several commercial insurance carriers. The general liability policy has a \$2,000,000 self insured retention with a \$10,000,000 limit per occurrence. Workers compensation claims are covered by the Workers Compensation Fund. The City commercially insures real property and also insures fleet equipment with individual values in excess of \$40,000 and self-insures all other fleet equipment. For the last three years, claim settlements have not exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). The liability for claims and judgements is reported in the Insurance & Risk Management Fund and has been expensed in the current period. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended <u>June 30, 2008</u>	Year Ended <u>June 30, 2007</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 436,882	\$ 662,112
Incurred Claims & Changes in Estimates (Including IBNR's)	181,380	(148,714)
Claims Payments	<u>(248,098)</u>	<u>(76,516)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 370,164</u>	<u>\$ 436,882</u>

The City estimates that \$186,991 of the \$370,164 unpaid claims will be paid in the next fiscal year.

**SANDY CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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**Note 21 - Sandy City Redevelopment Agency**

For the year ending June 30, 2008 the following activity occurred in the City's Redevelopment Agency:  
Taxes collected by the Agency:

Transient Room tax collected for 9400 South CDA:	\$ 2,710,280
Tax Increment by Project:	
South Towne	1,389,329
Civic Center South	1,264,696
Civic Center North	1,164,861
South Towne Ridge Road	<u>849,123</u>
Total Tax Increment:	<u>4,668,009</u>
Total Taxes:	<u><u>\$ 7,378,289</u></u>
 Tax increment paid to other taxing agencies:	 \$32,036
Outstanding loans which financed RDA projects:	\$50,839,324
Amounts expended for:	
Installation of public utilities or other public improvements	\$35,756,523
Administrative costs	\$402,963

**Note 22 - Related Party Transactions**

During the year ended June 30, 2008, the City accrued the following payments to MWDSLS, which is a related entity:

- \$2,244,923 in debt service payments
  - \$684,837 for water rights to the Ontario Drain Tunner water
  - \$1,560,086 for the 2000 East Corridor purchase agreement
- \$4,210,322 for capital improvements to be conducted by MWDSLS (long-term commitment)
- \$236,021 for aquifer storage (payment made July 2008)
- \$3,796,891 for water purchases (\$822,184 paid July 2008)

**Note 23 - Subsequent Events**

On August 4, 2008, the Sandy City Redevelopment Agency issued \$11,040,000 in Community Development Tax Increment and Revenue Bonds (9400 South CDA) Series 2008. The bonds are secured by a first lien pledge of the incremental property taxes generated by the ReAL soccer stadium project as well as an additional \$1,000,000 pledge of the City's Municipal Energy Sales and Use taxes. The bond proceeds were used to i) finance the construction of certain improvements related to the ReAL soccer stadium, ii) fund a deposit of \$863,836 to the Debt Service Reserve Fund, and iii) pay costs associated with the issuance of the Series 2008 bonds. The Series 2008 bonds have a maturity date of July 15, 2018, an interest rate of 4.84 percent, and are callable on any payment date at 103 percent of par up to July 15, 2015. On July 15, 2015 the Series 2008 bonds will be callable at 100 percent of par payable on any payment date.

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# Required Supplementary Information

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## SANDY CITY

### Roadway System Condition and Maintenance

#### Modified Approach for Infrastructure

June 30, 2008

The condition of the road pavement is measured using the Stantec Pavement Management Application (PMA), which is based on a weighted average of nine distress factors found in pavement surfaces (cracking, raveling, chuck holes, patching, edge cracking, rutting/shoving, bleeding, excessive crown, and distortion). The PMA uses a measurement scale based on a condition index ranging from 0 to 10 for pavement in perfect condition. The condition index is used to classify roads in good or better condition (6.5 - 10), fair condition (4.0 - 6.4), and substandard condition (less than 4.0). These condition indexes are used to evaluate other elements in the right-of-way including sidewalks, curb & gutter, waterways, drive approaches, street signs, and traffic signals. All of these elements, including pavement, make up what is known as the street system. The City's policy is to maintain at least 80 percent of its street system at a good or better condition and have no more than 10 percent in a substandard condition. Condition assessments in the appropriate database are updated annually.

For fiscal year 2008, the overall street system showed a decrease primarily due to updated condition assessments for both sidewalk and pavement elements. Due to the size of the City, it takes approximately two years to complete a 100 percent evaluation of these elements before restarting the process.

#### Condition Rating of the City's Roadway System

##### Percentage of Roadway System in Good or Better Condition

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Arterials	89.2%	93.2%	91.3%	90.8%	93.0%
Collectors	89.8%	92.9%	92.3%	91.6%	91.7%
Secondary	88.6%	89.3%	85.8%	86.8%	88.1%
Overall System	88.9%	90.8%	88.1%	88.5%	89.7%

##### Percentage of Roadway System in Substandard Condition

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Arterials	0.3%	0.3%	0.3%	0.3%	0.3%
Collectors	0.3%	0.3%	0.5%	0.5%	0.4%
Secondary	0.5%	0.4%	0.8%	0.8%	0.6%
Overall System	0.4%	0.4%	0.7%	0.6%	0.5%

##### Comparison of Needed to Actual Maintenance/Preservation

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Arterials					
Needed	\$ 5,414,578	\$ 4,342,458	\$ 3,842,128	\$ 3,585,103	\$ 3,496,732
Actual	4,381,263	3,566,059	3,384,297	3,253,349	3,492,674
Collectors					
Needed	1,082,916	868,492	768,426	717,021	699,346
Actual	876,253	713,212	676,859	650,670	698,535
Secondary					
Needed	1,237,617	992,561	878,200	819,451	799,254
Actual	1,001,432	815,099	773,554	743,623	798,325
Overall System					
Needed	7,735,111	6,203,511	5,488,754	5,121,575	4,995,332
Actual	6,258,947	5,094,370	4,834,710	4,647,642	4,989,534
	<u>\$(1,476,164)</u>	<u>\$(1,109,141)</u>	<u>\$ (654,044)</u>	<u>\$ (473,933)</u>	<u>\$ (5,798)</u>

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# Supplementary Information

# SANDY CITY

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the Year Ended June 30, 2008

With Comparative Totals for 2007

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Fund	Total Governmental Funds	
							2008	2007
<b>Revenues:</b>								
Taxes:								
General Property Taxes	\$ 7,233,667	\$ -0-	\$ 290,791	\$ -0-	\$ 4,668,009	\$ -0-	\$ 12,192,467	\$ 12,065,134
General Sales & Use Taxes	19,746,002	-0-	-0-	-0-	-0-	-0-	19,746,002	19,286,918
Franchise Taxes	7,145,328	-0-	-0-	-0-	-0-	-0-	7,145,328	7,091,234
Motor Vehicle Fee	757,242	-0-	-0-	-0-	-0-	-0-	757,242	824,486
Transient Room Tax	-0-	-0-	-0-	-0-	2,710,280	-0-	2,710,280	-0-
Total Taxes	34,882,239	-0-	290,791	-0-	7,378,289	-0-	42,551,319	39,267,772
Special Assessments	-0-	-0-	351,841	-0-	-0-	-0-	351,841	345,358
Innkeeper Fees	-0-	-0-	309,467	-0-	-0-	-0-	309,467	268,062
Licenses & Permits	2,692,112	-0-	-0-	-0-	-0-	-0-	2,692,112	2,748,928
Inter-Governmental Revenue	3,690,894	-0-	-0-	3,987,392	-0-	659,468	8,337,754	5,342,008
Sponsors	-0-	-0-	-0-	-0-	-0-	145,600	145,600	2,432,716
Administrative Charges	1,774,104	-0-	-0-	-0-	-0-	-0-	1,774,104	1,705,077
Fines & Forfeitures	2,917,276	-0-	-0-	21,840	-0-	-0-	2,939,116	3,070,564
Cell Tower Lease	171,149	-0-	-0-	-0-	-0-	-0-	171,149	123,977
Fees from Developers	-0-	446,739	121,276	691,266	-0-	(2,965)	1,256,316	1,398,039
Charges for Sales & Services	2,291,005	2,989,155	301,594	-0-	-0-	1,007,407	6,589,161	3,552,463
Interest Income	206,103	117,882	100,858	901,073	331,820	214,543	1,872,279	2,104,221
Miscellaneous Revenues	39,037	1,309,205	-0-	-0-	10,000	142,735	1,500,977	809,866
Total Revenues	48,663,919	4,862,981	1,475,827	5,601,571	7,720,109	2,166,788	70,491,195	63,169,051
<b>Expenditures:</b>								
Salaries and Benefits	29,647,831	730,919	-0-	-0-	274,171	1,130,875	31,783,796	29,495,230
Materials & Supplies	4,326,937	175,800	-0-	-0-	27,706	919,901	5,450,344	4,689,255
Contracted Services	1,551,308	61,521	-0-	2,662,692	16,264,983	424,354	20,964,858	2,122,302
Internal Charges	4,053,638	639,269	-0-	-0-	14,649	92,270	4,799,826	4,333,434
Administrative Charges	-0-	48,883	-0-	-0-	101,086	39,375	189,344	174,283
Cost of Goods Sold	-0-	10,896	-0-	-0-	-0-	661,455	672,351	511,950
Bond Issuance Cost and Trustee Fees	-0-	-0-	616,554	-0-	9,013	215	625,782	119,905
Capital Outlays	1,114,306	3,238,733	-0-	11,237,405	19,753,981	1,292,182	36,636,607	15,768,965
Principal	-0-	-0-	5,161,760	-0-	-0-	-0-	5,161,760	3,931,253
Interest on Long-Term Debt	-0-	-0-	2,383,327	-0-	-0-	-0-	2,383,327	1,909,478
Total Expenditures	40,694,020	4,906,021	8,161,641	13,900,097	36,445,589	4,560,627	108,667,995	63,056,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,969,899	(43,040)	(6,685,814)	(8,298,526)	(28,725,480)	(2,393,839)	(38,176,800)	112,996
<b>Other Financing Sources (Uses):</b>								
Issuance of Debt	-0-	-0-	310,186	6,500,814	34,549,000	-0-	41,360,000	-0-
Bond Premium	-0-	-0-	282,793	-0-	-0-	-0-	282,793	-0-
Redemption of Refunded Bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(3,251,000)
Sale of Capital Assets	-0-	8,160	-0-	1,857,384	-0-	-0-	1,865,544	2,930,905
Transfers In	40,000	40,000	6,900,963	5,883,814	-0-	1,964,348	14,829,125	13,521,390
Transfers Out	(8,007,396)	(928,103)	(1,705,725)	(300,000)	(3,652,881)	(235,020)	(14,829,125)	(13,571,390)
Total Other Financing Sources (Uses)	(7,967,396)	(879,943)	5,788,217	13,942,012	30,896,119	1,729,328	43,508,337	(370,095)
Net Change in Fund Balances	2,503	(922,983)	(897,597)	5,643,486	2,170,639	(664,511)	5,331,537	(257,099)
Beginning Fund Balances	5,700,242	3,610,646	3,208,098	17,571,595	3,375,041	2,310,495	35,776,117	36,033,216
Ending Fund Balances	\$ 5,702,745	\$ 2,687,663	\$ 2,310,501	\$ 23,215,081	\$ 5,545,680	\$ 1,645,984	\$ 41,107,654	\$ 35,776,117

# SANDY CITY

## Debt Service

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
General Property Taxes	\$ 287,277	\$ 287,277	\$ 290,791	\$ 3,514
Special Assessments	346,829	346,829	351,841	5,012
Innkeeper Fees	259,045	259,045	309,467	50,422
Fees from Developers	143,468	143,468	121,276	(22,192)
Charges for Sales & Services	325,350	325,350	301,594	(23,756)
Interest Income	72,837	72,837	100,858	28,021
Total Revenues	1,434,806	1,434,806	1,475,827	41,021
<b>Expenditures:</b>				
Principal	5,021,759	5,161,759	5,161,760	(1)
Interest on Long-Term Debt	2,280,543	2,383,330	2,383,327	3
Bond Issuance Cost and Trustee Fees	(587,338)	619,318	616,554	2,764
Total Expenditures	6,714,964	8,164,407	8,161,641	2,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,280,158)	(6,729,601)	(6,685,814)	43,787
<b>Other Financing Sources (Uses):</b>				
Issuance of Debt	-0-	593,793	592,979	(814)
Transfers In	4,326,949	6,857,583	6,900,963	43,380
Transfers Out	(1,705,725)	(1,705,725)	(1,705,725)	-0-
Total Other Financing Sources (Uses)	2,621,224	5,745,651	5,788,217	42,566
Net Change in Fund Balances	(2,658,934)	(983,950)	(897,597)	86,353
Beginning Fund Balances	3,208,098	3,208,098	3,208,098	-0-
Ending Fund Balances	\$ 549,164	\$ 2,224,148	\$ 2,310,501	\$ 86,353

# SANDY CITY

## Capital Projects

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Inter-Governmental Revenue	\$ 3,558,501	\$ 10,108,501	\$ 3,987,392	\$ (6,121,109)
Fines & Forfeitures	-0-	-0-	21,840	21,840
Fees from Developers	854,106	854,106	691,266	(162,840)
Interest Income	553,010	553,010	901,073	348,063
Total Revenues	4,965,617	11,515,617	5,601,571	(5,914,046)
<b>Expenditures:</b>				
Contracted Services	2,683,032	2,683,032	2,662,692	20,340
Capital Outlays	75,706	75,706	-0-	75,706
Land	1,483,056	1,233,056	-0-	1,233,056
Buildings	7,532,971	13,213,363	1,495,804	11,717,559
Roads	3,754,417	15,274,417	5,163,343	10,111,074
Parks	7,694,093	8,265,642	4,469,540	3,796,102
Miscellaneous	843,941	843,941	108,718	735,223
Total Expenditures	24,067,216	41,589,157	13,900,097	27,689,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,101,599)	(30,073,540)	(8,298,526)	21,775,014
<b>Other Financing Sources :</b>				
Issuance of Debt	-0-	6,500,000	6,500,814	814
Sale of Capital Assets	650,650	650,650	1,857,384	1,206,734
Transfers In	3,948,777	4,604,777	5,883,814	1,279,037
Transfers Out	(300,000)	(300,000)	(300,000)	-0-
Total Other Financing Sources	4,299,427	11,455,427	13,942,012	2,486,585
Net Change in Fund Balances	(14,802,172)	(18,618,113)	5,643,486	24,261,599
Beginning Fund Balances	17,571,595	17,571,595	17,571,595	-0-
Ending Fund Balances	\$ 2,769,423	\$ (1,046,518)	\$ 23,215,081	\$ 24,261,599

# Nonmajor Governmental Funds

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**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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**Landscape Maintenance** - This fund is used to account for the service-type special assessments legally restricted for operation and maintenance of streetscapes.

**Community Development Block Grant (CDBG)** - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

**Recreation** - This fund is used to account for the City's recreation activities.

**Community Arts** - The City elects to sponsor certain performing arts, programs and special events. This fund is used to account for the revenue and expenditures associated with these events.

**Sandy Arts Guild** - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

**Electric Utilities** - This fund is used to account for the operation of the City's street light system.

**Sandy City Donations** - This fund was established to account for individual, private, and intergovernmental contributions held in trust by the City.

**SANDY CITY****Combining Balance Sheet****Nonmajor Governmental Funds****June 30, 2008****With Comparative Totals for 2007**

	<b>Landscape Maintenance</b>	<b>CDBG</b>	<b>Recreation</b>	<b>Community Arts</b>
<b><u>ASSETS:</u></b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 189,129	\$ -0-	\$ 274,683	\$ 157,500
Receivables	-0-	-0-	-0-	-0-
Due from other Govt. Units	-0-	19,804	-0-	-0-
Total Assets	189,129	19,804	274,683	157,500
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b>Current Liabilities:</b>				
Accounts Payable	-0-	3,631	8,330	31,950
Salaries & Benefits Payable	-0-	2,843	22,654	21,182
Due to Other Govt. Units	-0-	-0-	-0-	-0-
Due to Other Funds	-0-	13,330	-0-	-0-
Deposits	-0-	-0-	-0-	-0-
Total Liabilities	-0-	19,804	30,984	53,132
Unreserved Fund Balances	189,129	-0-	243,699	104,368
Total Liabilities and Fund Balance	\$ 189,129	\$ 19,804	\$ 274,683	\$ 157,500

	Sandy Arts Guild	Electric Utility	Sandy City Donations	TOTALS	
				2008	2007
<b><u>ASSETS:</u></b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 369,253	\$ 798,121	\$ 378,380	\$ 2,167,066	\$ 2,505,574
Receivables	602	2,541	-0-	3,143	3,575
Due from other Govt. Units	-0-	-0-	63,909	83,713	126,257
Total Assets	369,855	800,662	442,289	2,253,922	2,635,406
<b><u>LIABILITIES AND FUND BALANCES:</u></b>					
<b>Current Liabilities:</b>					
Accounts Payable	33,910	403,048	39,583	520,452	219,649
Salaries & Benefits Payable	12,267	7,710	-0-	66,656	65,182
Due to Other Govt. Units	-0-	-0-	500	500	22,111
Due to Other Funds	-0-	-0-	-0-	13,330	9,969
Deposits	-0-	-0-	7,000	7,000	8,000
Total Liabilities	46,177	410,758	47,083	607,938	324,911
Unreserved Fund Balances	323,678	389,904	395,206	1,645,984	2,310,495
Total Liabilities and Fund Balance	\$ 369,855	\$ 800,662	\$ 442,289	\$ 2,253,922	\$ 2,635,406

**SANDY CITY****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****Nonmajor Governmental Funds****For the Year Ended June 30, 2008****With Comparative Totals for 2007**

	<b>Landscape Maintenance</b>	<b>CDBG</b>	<b>Recreation</b>	<b>Community Arts</b>
<b>Revenues:</b>				
Special Assessments	-0-	-0-	-0-	-0-
Inter-Governmental Revenue	-0-	424,988	-0-	-0-
Sponsors	-0-	-0-	-0-	-0-
Fees from Developers	-0-	-0-	-0-	-0-
Charges for Sales & Services	-0-	-0-	664,642	-0-
Interest Income	8,306	101,000	14,236	15,616
Miscellaneous Revenues	-0-	-0-	-0-	11,674
Total Revenues	8,306	525,988	678,878	27,290
<b>Expenditures:</b>				
General Government	-0-	-0-	-0-	-0-
Police & Animal Control	-0-	-0-	-0-	-0-
Fire	-0-	-0-	-0-	-0-
Public Works	-0-	-0-	-0-	-0-
Parks, Landscapes and Cemetery	-0-	-0-	-0-	-0-
Community Development	-0-	290,968	-0-	-0-
Recreation and Cultural Events	-0-	-0-	925,969	486,970
Electric Utility	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-	-0-
Total Expenditures	-0-	290,968	925,969	486,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,306	235,020	(247,091)	(459,680)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-0-	-0-	270,825	468,220
Transfers Out	-0-	(235,020)	-0-	-0-
Total Other Financing Sources (Uses)	-0-	(235,020)	270,825	468,220
Net Change in Fund Balances	8,306	-0-	23,734	8,540
Beginning Fund Balances	180,823	-0-	219,965	95,828
Ending Fund Balances	\$ 189,129	\$ -0-	\$ 243,699	\$ 104,368



	Sandy Arts Guild	Electric Utility	Sandy City Donations	Total Non-Major Governmental Funds	
				2008	2007
<b>Revenues:</b>					
Special Assessments	-0-	-0-	-0-	-0-	700
Inter-Governmental Revenue	36,753	-0-	197,727	659,468	546,425
Sponsors	145,600	-0-	-0-	145,600	89,427
Fees from Developers	-0-	(2,965)	-0-	(2,965)	-0-
Charges for Sales & Services	330,653	12,112	-0-	1,007,407	636,732
Interest Income	18,336	34,464	22,585	214,543	156,252
Miscellaneous Revenues	1,818	-0-	129,243	142,735	684,855
Total Revenues	533,160	43,611	349,555	2,166,788	2,114,391
<b>Expenditures:</b>					
General Government	-0-	-0-	61,209	61,209	23,398
Police & Animal Control	-0-	-0-	330,745	330,745	244,323
Fire	-0-	-0-	57,819	57,819	43,416
Public Works	-0-	-0-	6,348	6,348	520
Parks, Landscapes and Cemetery	-0-	-0-	1,290	1,290	18,260
Community Development	-0-	-0-	7,341	298,309	264,696
Recreation and Cultural Events	787,357	-0-	5,008	2,205,304	1,936,972
Electric Utility	-0-	667,100	-0-	667,100	643,278
Capital Outlay	-0-	932,503	-0-	932,503	379,181
Total Expenditures	787,357	1,599,603	469,760	4,560,627	3,554,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	(254,197)	(1,555,992)	(120,205)	(2,393,839)	(1,439,653)
<b>Other Financing Sources (Uses):</b>					
Transfers In	208,027	1,017,276	-0-	1,964,348	1,292,018
Transfers Out	-0-	-0-	-0-	(235,020)	(238,276)
Total Other Financing Sources (Uses)	208,027	1,017,276	-0-	1,729,328	1,053,742
Net Change in Fund Balances	(46,170)	(538,716)	(120,205)	(664,511)	(385,911)
Beginning Fund Balances	369,848	928,620	515,411	2,310,495	2,696,406
Ending Fund Balances	\$ 323,678	\$ 389,904	\$ 395,206	\$ 1,645,984	\$ 2,310,495

## SANDY CITY

### Landscape Maintenance

#### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

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	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 2,490	\$ -0-	\$ (2,490)
Interest Income	13,559	8,306	(5,253)
Total Revenues	16,049	8,306	(7,743)
<b>Expenditures:</b>			
Capital Outlays	196,872	-0-	196,872
Net Change in Fund Balances	(180,823)	8,306	189,129
Beginning Fund Balances	180,823	180,823	-0-
Ending Fund Balances	<u>\$ -0-</u>	<u>\$ 189,129</u>	<u>\$ 189,129</u>

## SANDY CITY

### Community Development Block Grant (CDBG)

#### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Inter-Governmental Revenue	\$ 497,592	\$ 424,988	\$ (72,604)
Interest Income	101,000	101,000	-0-
Total Revenues	598,592	525,988	(72,604)
<b>Expenditures:</b>			
Salaries and Benefits	61,548	56,702	4,846
Materials & Supplies	133,558	113,066	20,492
Internal Charges	4,223	4,223	-0-
Capital Outlays	164,243	116,977	47,266
Total Expenditures	363,572	290,968	72,604
Excess of Revenues Over Expenditures	235,020	235,020	-0-
Transfers Out	(235,020)	(235,020)	-0-
Net Change in Fund Balances	-0-	-0-	-0-
Beginning Fund Balances	-0-	-0-	-0-
Ending Fund Balances	\$ -0-	\$ -0-	\$ -0-

# SANDY CITY

## Recreation

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
	\$ 668,641	\$ 664,642	\$ (3,999)
Interest Income	14,400	14,236	(164)
Total Revenues	683,041	678,878	(4,163)
<b>Expenditures:</b>			
Salaries and Benefits	461,373	471,405	(10,032)
Materials & Supplies	47,074	26,368	20,706
Contracted Services	4,800	5,147	(347)
Internal Charges	21,327	21,327	-0-
Administrative Charges	31,500	31,500	-0-
Cost of Goods Sold	356,916	337,209	19,707
Capital Outlays	54,000	33,013	20,987
Total Expenditures	976,990	925,969	51,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(293,949)	(247,091)	46,858
<b>Other Financing Sources:</b>			
Transfers In	270,825	270,825	-0-
Net Change in Fund Balances	(23,124)	23,734	46,858
Beginning Fund Balances	219,965	219,965	-0-
Ending Fund Balances	\$ 196,841	\$ 243,699	\$ 46,858

## SANDY CITY

### Community Arts

#### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Interest Income	\$ 13,000	\$ 15,616	\$ 2,616
Miscellaneous Revenues	5,750	11,674	5,924
Total Revenues	18,750	27,290	8,540
<b>Expenditures:</b>			
Salaries and Benefits	226,486	240,642	(14,156)
Materials & Supplies	220,061	205,226	14,835
Internal Charges	40,423	40,423	-0-
Capital Outlays	-0-	679	(679)
Total Expenditures	486,970	486,970	-0-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(468,220)	(459,680)	8,540
<b>Other Financing Sources :</b>			
Transfers In	468,220	468,220	-0-
Net Change in Fund Balances	-0-	8,540	8,540
Beginning Fund Balances	95,828	95,828	-0-
Ending Fund Balances	\$ 95,828	\$ 104,368	\$ 8,540

**SANDY CITY****Sandy Arts Guild****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Charges for Sales & Services	\$ 31,000	\$ 31,000	\$ 330,653	\$ 299,653
Inter-Governmental Revenue	46,000	46,000	36,753	(9,247)
Interest Income	16,100	16,100	18,336	2,236
Miscellaneous Revenues	428,000	509,000	1,818	(507,182)
Total Revenues	521,100	602,100	533,160	(68,940)
<b>Expenditures:</b>				
Salaries and Benefits	143,585	143,585	148,047	(4,462)
Materials & Supplies	111,628	111,628	102,225	9,403
Contracted Services	350,800	431,800	420,241	11,559
Internal Charges	5,737	5,737	5,737	-0-
Administrative Charges	7,875	7,875	7,875	-0-
Cost of Goods Sold	14,500	14,500	-0-	14,500
Capital Outlays	104,345	119,345	103,232	16,113
Total Expenditures	738,470	834,470	787,357	47,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	(217,370)	(232,370)	(254,197)	(21,827)
<b>Other Financing Sources:</b>				
Transfers In	187,475	187,475	208,027	20,552
Net Change in Fund Balances	(29,895)	(44,895)	(46,170)	(1,275)
Beginning Fund Balances	369,848	369,848	369,848	-0-
Ending Fund Balances	\$ 339,953	\$ 324,953	\$ 323,678	\$ (1,275)

## SANDY CITY

### Electric Utility

#### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fees from Developers	\$ -0-	\$ (2,965)	\$ (2,965)
Charges for Sales & Services	11,212	12,112	900
Interest Income	-0-	34,464	34,464
Total Revenues	11,212	43,611	32,399
<b>Expenditures:</b>			
Salaries and Benefits	184,186	176,768	7,418
Materials & Supplies	457,450	469,367	(11,917)
Contracted Services	15,540	(1,034)	16,574
Internal Charges	21,312	20,560	752
Capital Outlays	1,278,620	933,942	344,678
Total Expenditures	1,957,108	1,599,603	357,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,945,896)	(1,555,992)	389,904
<b>Other Financing Sources :</b>			
Transfers In	1,017,276	1,017,276	-0-
Net Change in Fund Balances	(928,620)	(538,716)	389,904
Beginning Fund Balances	928,620	928,620	-0-
Ending Fund Balances	\$ -0-	\$ 389,904	\$ 389,904

## SANDY CITY

### Sandy City Donations

#### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2008

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	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Interest Income	\$ 12,500	\$ 22,585	\$ 10,085
Miscellaneous Revenues	600,000	129,243	(470,757)
Total Revenues	612,500	349,555	(262,945)
<b>Expenditures:</b>			
Salaries and Benefits	-0-	37,311	(37,311)
Materials & Supplies	-0-	3,649	(3,649)
Cost of Goods Sold	600,000	324,246	275,754
Bond Issuance Cost and Trustee Fees	-0-	215	(215)
Capital Outlays	196,229	104,339	91,890
Total Expenditures	796,229	469,760	326,469
Net Change in Fund Balances	(183,729)	(120,205)	63,524
Beginning Fund Balances	515,411	515,411	-0-
Ending Fund Balances	\$ 331,682	\$ 395,206	\$ 63,524



# Enterprise Funds

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The **Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

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**Alta Canyon Sports Center** - This fund is used to account for the City's recreational center.

**Water** - This fund is used to account for the operations of the City's water utility.

**Waste** - This fund is used to account for waste collection services provided by an independent contractor.

**Golf** - This fund is used to account for the City's golf course.

**SANDY CITY****Alta Canyon Sports Center****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2008**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Revenues:</b>			
Charges for Sales & Services	\$ 692,955	\$ 705,712	\$ 12,757
<b>Operating Expenses</b>			
Salaries and Benefits	703,944	711,728	(7,784)
Materials & Supplies	170,706	147,936	22,770
Contracted Services	61,275	54,171	7,104
Internal Charges	35,410	35,410	-0-
Administrative Charges	61,295	61,295	-0-
Cost of Goods Sold	50,063	48,722	1,341
Non-Capital Improvements	60,461	28,119	32,342
Depreciation	91,802	91,802	-0-
Total Operating Expenses	1,234,956	1,179,183	55,773
Operating Income (Loss)	(542,001)	(473,471)	68,530
<b>Nonoperating Revenues:</b>			
General Property Taxes	354,970	362,227	7,257
Motor Vehicle Fee	41,352	40,583	(769)
Interest Income	4,000	7,428	3,428
Cell Tower Lease	30,368	31,582	1,214
Other Income	-0-	(632)	(632)
Total Nonoperating Revenues:	430,690	441,188	10,498
Change in Net Assets	(111,311)	(32,283)	79,028
Beginning Fund Balances	1,295,187	1,295,187	-0-
Ending Net Assets	\$ 1,183,876	\$ 1,262,904	\$ 79,028

**SANDY CITY****Water****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating Revenues:</b>				
Charges for Sales & Services	\$ 18,953,809	\$ 18,953,809	\$ 20,773,155	\$ 1,819,346
Fees from Developers	645,650	645,650	386,905	(258,745)
Total Operating Revenues	19,599,459	19,599,459	21,160,060	1,560,601
<b>Operating Expenses</b>				
Salaries and Benefits	1,746,489	1,746,489	1,811,613	(65,124)
Materials & Supplies	752,129	752,129	450,140	301,989
Contracted Services	555,437	555,437	364,160	191,277
Internal Charges	1,835,766	1,835,766	456,974	1,378,792
Administrative Charges	782,867	782,867	782,867	-0-
Cost of Goods Sold	4,829,287	4,829,287	4,812,096	17,191
Non-Capital Improvements	4,325,727	4,325,727	4,247,430	78,297
Depreciation	2,974,806	2,974,806	2,974,806	-0-
Total Operating Expenses	17,802,508	17,802,508	15,900,086	1,902,422
Operating Income (Loss)	1,796,951	1,796,951	5,259,974	3,463,023
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	400,000	400,000	812,410	412,410
Cell Tower Lease	213,608	213,608	235,773	22,165
Gain (Loss) on Disposal of Asset	-0-	-0-	181,075	181,075
Other Income	(7,500)	(7,500)	36,520	44,020
Sale of Capital Assets	38,000	38,000	(8,576)	(46,576)
Bond Interest Expense	(1,042,785)	(1,042,785)	(1,042,913)	(128)
Total Nonoperating Revenues (Expenses)	(398,677)	(398,677)	214,289	612,966
Change in Net Assets	1,398,274	1,398,274	5,474,263	4,075,989
Beginning Net Assets	85,135,260	85,135,260	85,135,260	-0-
Ending Net Assets	\$ 86,533,534	\$ 86,533,534	\$ 90,609,523	\$ 4,075,989

## SANDY CITY

### Waste

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales & Services	\$ 3,834,400	\$ 3,935,524	\$ 101,124
<b>Operating Expenses</b>			
Salaries and Benefits	217,245	169,548	47,697
Materials & Supplies	68,720	68,794	(74)
Internal Charges	148,525	137,990	10,535
Administrative Charges	271,009	271,009	-0-
Cost of Goods Sold	3,229,442	3,186,404	43,038
Non-Capital Improvements	-0-	1,377	(1,377)
Total Operating Expenses	3,934,941	3,835,122	99,819
Operating Income (Loss)	(100,541)	100,402	200,943
<b>Nonoperating Revenues:</b>			
Interest Income	29,280	32,927	3,647
Other Income	-0-	223,008	223,008
Total Nonoperating Revenues:	29,280	255,935	226,655
Change in Net Assets	(71,261)	356,337	427,598
Beginning Net Assets	6,564,661	6,564,661	-0-
Ending Net Assets	\$ 6,493,400	\$ 6,920,998	\$ 427,598

**SANDY CITY****Golf****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Operating Revenues:</b>				
Charges for Sales & Services	\$ 1,279,200	\$ 1,356,200	\$ 1,396,439	\$ 40,239
<b>Operating Expenses</b>				
Salaries and Benefits	498,159	498,159	512,080	(13,921)
Materials & Supplies	164,063	164,063	174,432	(10,369)
Contracted Services	44,392	44,392	47,841	(3,449)
Internal Charges	78,863	78,863	78,863	-0-
Administrative Charges	38,520	38,520	38,520	-0-
Cost of Goods Sold	159,150	236,150	255,499	(19,349)
Non-Capital Improvements	104,691	111,691	99,517	12,174
Depreciation	40,895	40,895	40,895	-0-
Total Operating Expenses	1,128,733	1,212,733	1,247,647	(34,914)
Operating Income (Loss)	150,467	143,467	148,792	5,325
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	6,000	6,000	6,004	4
Other Income (Expense)	(2,000)	(2,000)	(2,000)	-0-
Gain (Loss) on Disposal of Asset	-0-	7,000	7,000	-0-
Bond Interest Expense	(180,786)	(180,786)	(180,786)	-0-
Total Nonoperating Revenues (Expenses)	(176,786)	(169,786)	(169,782)	4
Income (Loss) Before Transfers	(26,319)	(26,319)	(20,990)	5,329
Transfers In	150,000	150,000	150,000	-0-
Change in Net Assets	123,681	123,681	129,010	5,329
Beginning Net Assets	1,539,793	1,539,793	1,539,793	-0-
Ending Net Assets	\$ 1,663,474	\$ 1,663,474	\$ 1,668,803	\$ 5,329

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# Internal Service Funds

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**Internal Service Funds** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

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**Fleet** - This fund is used to account for the rental of machinery, equipment, vehicles, and their related costs to other departments.

**Information Services** - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

**Risk Management** - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

**Equipment Management** - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

**Payroll Management** - This fund is used to account for the liability associated with the accumulation of employee compensated absences.

**SANDY CITY****Combining Statement of Net Assets****Internal Service Funds****June 30, 2008****With Comparative Totals for 2007**

						<b>Totals Internal Services Funds</b>	
	<b>Fleet</b>	<b>Information Services</b>	<b>Risk Management</b>	<b>Equipment Management</b>	<b>Payroll Management</b>	<b>2008</b>	<b>2007</b>
<b><u>ASSETS:</u></b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ 3,396,516	\$ 1,444,007	\$ 3,670,369	\$ 729,375	\$ 2,670,480	\$ 11,910,747	\$ 11,143,741
Receivables	-0-	-0-	393,302	-0-	-0-	393,302	383,380
Inventories	62,686	-0-	-0-	-0-	-0-	62,686	58,095
Total Current Assets	3,459,202	1,444,007	4,063,671	729,375	2,670,480	12,366,735	11,585,216
Land, Building, Plant, and Equipment	19,146,498	2,107,720	-0-	-0-	-0-	21,254,218	20,795,773
Accumulated Depreciation	(13,035,559)	(1,769,224)	-0-	-0-	-0-	(14,804,783)	(14,505,628)
Construction in Progress	280,465	-0-	-0-	-0-	-0-	280,465	277,779
Total Assets	9,850,606	1,782,503	4,063,671	729,375	2,670,480	19,096,635	18,153,140
<b><u>LIABILITIES AND FUND BALANCES:</u></b>							
<b>Current Liabilities:</b>							
Accounts Payable	155,206	13,106	4,939	25,846	-0-	199,097	162,622
Salaries & Benefits Payable	50,430	44,168	28,661	-0-	-0-	123,259	102,223
Claims & Judgements Payable	-0-	-0-	370,164	-0-	-0-	370,164	436,882
Deferred Property Tax	-0-	-0-	388,101	-0-	-0-	388,101	385,074
Total Current Liabilities	205,636	57,274	791,865	25,846	-0-	1,080,621	1,086,801
<b>Noncurrent Liabilities</b>							
Compensated Absences	-0-	-0-	-0-	-0-	1,659,891	1,659,891	1,540,511
Total Noncurrent Liabilities:	-0-	-0-	-0-	-0-	1,659,891	1,659,891	1,540,511
Total Liabilities	205,636	57,274	791,865	25,846	1,659,891	2,740,512	2,627,312
<b><u>NET ASSETS:</u></b>							
Invested In Capital Assets, Net of Related Debt	6,391,404	338,496	-0-	-0-	-0-	6,729,900	6,567,924
Unrestricted	3,253,566	1,386,733	3,271,806	703,529	1,010,589	9,626,223	8,957,904
Total Net Assets	\$ 9,644,970	\$ 1,725,229	\$ 3,271,806	\$ 703,529	\$ 1,010,589	\$ 16,356,123	\$ 15,525,828



# SANDY CITY

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

### Internal Services Fund

For the Year Ended June 30, 2008

With Comparative Totals for the Year Ended 2007

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Totals Internal Services Funds	
						2008	2007
<b>Operating Revenue</b>							
Charges for Sales & Services	\$ 3,919,238	\$ 1,265,722	\$ 774,386	\$ 502,065	\$ 395,060	\$ 6,856,471	\$ 6,404,790
Miscellaneous Revenues	-0-	69,364	67,946	-0-	116,210	253,520	153,412
Total Revenues	3,919,238	1,335,086	842,332	502,065	511,270	7,109,991	6,558,202
<b>Operating Expenses</b>							
Salaries and Benefits	669,110	650,498	308,639	-0-	326,320	1,954,567	1,947,293
Materials & Supplies	19,511	30,539	13,412	-0-	-0-	63,462	60,580
Contracted Services	7,305	202,389	767,587	-0-	-0-	977,281	667,063
Internal Charges	19,154	-0-	9,538	-0-	-0-	28,692	28,328
Administrative Charges	106,578	179,277	71,890	-0-	-0-	357,745	325,222
Cost of Goods Sold	1,338,769	-0-	-0-	-0-	-0-	1,338,769	1,111,610
Non-Capital Improvements	64,527	93,657	-0-	492,643	-0-	650,827	711,044
Depreciation	1,640,506	114,018	-0-	-0-	-0-	1,754,524	1,804,615
Total Operating Expenses	3,865,460	1,270,378	1,171,066	492,643	326,320	7,125,867	6,655,755
Operating Income (Loss)	53,778	64,708	(328,734)	9,422	184,950	(15,876)	(97,553)
<b>Nonoperating Revenues (Expenses):</b>							
General Property Taxes	-0-	-0-	386,462	-0-	-0-	386,462	382,065
Inter-Governmental Revenue	-0-	-0-	-0-	-0-	-0-	-0-	148,084
Interest Income	117,958	60,340	154,657	19,402	96,496	448,853	522,168
Gain (Loss) on Disposal of Asset	153,572	7,284	-0-	-0-	-0-	160,856	15,866
Bond Interest Expense	-0-	-0-	-0-	-0-	-0-	-0-	(2,418)
Total Nonoperating Revenues	271,530	67,624	541,119	19,402	96,496	996,171	1,065,765
Income (Loss) Before Transfers	325,308	132,332	212,385	28,824	281,446	980,295	968,212
<b>Transfers:</b>							
Transfers Out	-0-	-0-	(150,000)	-0-	-0-	(150,000)	(100,000)
Change in Net Assets	325,308	132,332	62,385	28,824	281,446	830,295	868,212
Net Assets - Beginning	9,319,662	1,592,897	3,209,421	674,705	729,143	15,525,828	14,657,616
Net Assets - Ending	\$ 9,644,970	\$ 1,725,229	\$ 3,271,806	\$ 703,529	\$ 1,010,589	\$ 16,356,123	\$ 15,525,828

**SANDY CITY****Combining Statement of Cash Flows****Internal Service Funds****For the Year Ended June 30, 2008****With Comparative Totals for the Year Ended 2007**

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Totals Internal Services Funds	
						2008	2007
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers	\$ 3,919,238	\$ 1,335,086	\$ 832,410	\$ 502,065	\$ 511,270	\$ 7,100,069	\$ 6,527,503
Payments to Suppliers	(1,525,909)	(519,274)	(933,537)	(472,890)	-0-	(3,451,610)	(3,082,252)
Payments to Employees	(661,798)	(640,579)	(303,167)	-0-	(208,607)	(1,814,151)	(1,821,889)
Net Cash Provided (Used) in Operating Activities	1,731,531	175,233	(404,294)	29,175	302,663	1,834,308	1,623,362
<b>Cash Flows from Noncapital Financing Activities:</b>							
Tax Receipts	-0-	-0-	389,489	-0-	-0-	389,489	390,520
Transfers to Other Funds	-0-	-0-	(150,000)	-0-	-0-	(150,000)	(100,000)
Net Cash Provided from Noncapital Financing Activities	-0-	-0-	239,489	-0-	-0-	239,489	290,520
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Acquisition of Capital Assets	(1,849,552)	(297,402)	-0-	-0-	-0-	(2,146,954)	(1,537,874)
Capital Grants and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	224,593
Principal Paid on Capital Lease	-0-	-0-	-0-	-0-	-0-	-0-	(89,805)
Interest Paid on Capital Lease	-0-	-0-	-0-	-0-	-0-	-0-	(2,418)
Proceeds from Sale of Capital Assets	384,026	7,284	-0-	-0-	-0-	391,310	149,827
Net Cash Used by Capital and Related Financing Activities	(1,465,526)	(290,118)	-0-	-0-	-0-	(1,755,644)	(1,255,677)
<b>Cash Flows from Investing Activities:</b>							
Interest Income Received	117,958	60,340	154,657	19,402	96,496	448,853	522,168
Net Increase (Decrease) in Cash and Cash Equivalents	383,963	(54,545)	(10,148)	48,577	399,159	767,006	1,180,373
<b>Cash and Cash Equivalents:</b>							
Beginning of Year	3,012,553	1,498,552	3,680,517	680,798	2,271,321	11,143,741	9,963,368
End of Year	\$ 3,396,516	\$ 1,444,007	\$ 3,670,369	\$ 729,375	\$ 2,670,480	\$ 11,910,747	\$ 11,143,741

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:**

Operating Income (Loss)	\$ 53,778	\$ 64,708	\$ (328,734)	\$ 9,422	\$ 184,950	\$ (15,876)	\$ (97,553)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>							
Depreciation	1,640,506	114,018	-0-	-0-	-0-	1,754,524	1,804,615
Increase (Decrease) Due to Changes in:							
Accounts Receivables	-0-	-0-	(9,922)	-0-	-0-	(9,922)	(30,699)
Inventories	(4,591)	-0-	-0-	-0-	-0-	(4,591)	4,916
Accounts Payable	34,526	(13,412)	(71,110)	19,753	-0-	(30,243)	(183,321)
Salaries & Benefits Payable	7,312	9,919	5,472	-0-	117,713	140,416	125,404
Net Cash Provided (Used) by Operating Activities	\$ 1,731,531	\$ 175,233	\$ (404,294)	\$ 29,175	\$ 302,663	\$ 1,834,308	\$ 1,623,362

## SANDY CITY

### Fleet

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues:</b>				
Charges for Sales & Services	\$ 4,424,905	\$ 4,482,905	\$ 3,919,238	\$ (563,667)
<b>Operating Expenses</b>				
Salaries and Benefits	743,811	743,811	669,110	74,701
Materials & Supplies	19,873	19,873	19,511	362
Contracted Services	18,000	18,000	7,305	10,695
Internal Charges	19,154	19,154	19,154	-0-
Administrative Charges	106,578	106,578	106,578	-0-
Cost of Goods Sold	1,182,559	1,315,316	1,338,769	(23,453)
Non-Capital Improvements	435,390	553,335	64,527	488,808
Depreciation	1,640,506	1,640,506	1,640,506	-0-
Total Operating Expenses	4,165,871	4,416,573	3,865,460	551,113
Operating Income (Loss)	259,034	66,332	53,778	(12,554)
<b>Nonoperating Revenues (Expenses):</b>				
Inter-Governmental Revenue	32,000	32,000	-0-	(32,000)
Interest Income	97,500	97,500	117,958	20,458
Gain (Loss) on Disposal of Asset	56,000	56,000	153,572	97,572
Total Nonoperating Revenues (Expenses)	185,500	185,500	271,530	86,030
Change in Net Assets	444,534	251,832	325,308	73,476
Beginning Net Assets	9,319,662	9,319,662	9,319,662	-0-
Ending Net Assets	\$ 9,764,196	\$ 9,571,494	\$ 9,644,970	\$ 73,476

## SANDY CITY

### Information Services

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales & Services	\$ 1,265,541	\$ 1,265,722	\$ 181
Miscellaneous Revenues	67,000	69,364	2,364
Total Operating Revenues	1,332,541	1,335,086	2,545
<b>Operating Expenses</b>			
Salaries and Benefits	634,335	650,498	(16,163)
Materials & Supplies	44,889	30,539	14,350
Contracted Services	205,570	202,389	3,181
Administrative Charges	179,277	179,277	-0-
Non-Capital Improvements	134,101	93,657	40,444
Depreciation	114,018	114,018	-0-
Total Operating Expenses	1,312,190	1,270,378	41,812
Operating Income (Loss)	20,351	64,708	44,357
<b>Nonoperating Revenues (Expenses):</b>			
Interest Income	42,620	60,340	17,720
Gain (Loss) on Disposal of Asset	-0-	7,284	7,284
Total Nonoperating Revenues (Expenses)	42,620	67,624	25,004
Change in Net Assets	62,971	132,332	69,361
Beginning Net Assets	1,592,897	1,592,897	-0-
Ending Net Assets	\$ 1,655,868	\$ 1,725,229	\$ 69,361

## SANDY CITY

### Risk Management

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales & Services	\$ 719,684	\$ 774,386	\$ 54,702
Miscellaneous Revenues	-0-	67,946	67,946
Total Operating Revenues	719,684	842,332	122,648
<b>Operating Expenses</b>			
Salaries and Benefits	304,323	308,639	(4,316)
Materials & Supplies	14,250	13,412	838
Contracted Services	946,660	767,587	179,073
Internal Charges	9,538	9,538	-0-
Administrative Charges	71,890	71,890	-0-
Total Operating Expenses	1,346,661	1,171,066	175,595
Operating Income (Loss)	(626,977)	(328,734)	298,243
<b>Nonoperating Revenues (Expenses):</b>			
General Property Taxes	385,074	386,462	1,388
Interest Income	171,918	154,657	(17,261)
Transfers Out	(150,000)	(150,000)	-0-
Total Nonoperating Revenues (Expenses)	406,992	391,119	(15,873)
Change in Net Assets	(219,985)	62,385	282,370
Beginning Net Assets	3,209,421	3,209,421	-0-
Ending Net Assets	\$ 2,989,436	\$ 3,271,806	\$ 282,370

## SANDY CITY

### Equipment Management

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2008

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	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales & Services	\$ -0-	\$ 502,065	\$ 502,065
<b>Operating Expenses</b>			
Non-Capital Improvements	674,705	492,643	182,062
Total Operating Expenses	674,705	492,643	182,062
Operating Income (Loss)	(674,705)	9,422	684,127
<b>Nonoperating Revenues:</b>			
Interest Income	-0-	19,402	19,402
Change in Net Assets	(674,705)	28,824	703,529
Beginning Net Assets	674,705	674,705	-0-
Ending Net Assets	<u>\$ -0-</u>	<u>\$ 703,529</u>	<u>\$ 703,529</u>

## SANDY CITY

### Payroll Management Fund

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2008

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	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales & Services	\$ 664,886	\$ 395,060	\$ (269,826)
<b>Operating Expenses</b>			
Salaries and Benefits	664,886	326,320	338,566
Operating Income (Loss)	-0-	184,950	184,950
<b>Nonoperating Revenues:</b>			
Interest Income	110,000	96,496	(13,504)
Change in Net Assets	110,000	281,446	171,446
Beginning Net Assets	729,143	729,143	-0-
Ending Net Assets	<u>\$ 839,143</u>	<u>\$ 1,010,589</u>	<u>\$ 171,446</u>

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# Capital Assets Used In the Operations Of Governmental Funds

**SANDY CITY**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE<sup>1</sup>**  
**For the Years Ended June 30, 2008 and 2007**

	2008	2007
Governmental funds capital assets:		
Land	\$ 216,709,436	\$ 196,572,868
Buildings	36,223,310	33,869,186
Improvements other than Buildings	19,338,896	16,603,020
Machinery and Equipment	2,544,144	2,034,202
Autos and Trucks	85,160	71,220
Infrastructure	119,285,367	116,909,683
Street Light Improvements	10,262,124	9,329,621
Storm Drain Improvements	29,941,065	27,617,971
Construction In Progress	15,131,150	8,425,070
Total governmental funds capital assets	<u>\$ 449,520,652</u>	<u>\$ 411,432,841</u>

Investments in governmental funds capital assets by source:

General	\$ 2,069,540	\$ 1,372,422
Capital Projects	91,838,679	87,569,574
Infrastructure	285,877,916	278,993,950
Special Revenue	23,886,062	1,703,436
Electric Utilities	10,262,124	9,329,621
Storm Water	35,586,331	32,463,838
Total governmental funds capital assets	<u>\$ 449,520,652</u>	<u>\$ 411,432,841</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**SANDY CITY**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**June 30, 2008**

Function and Activity	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT	AUTOS AND TRUCKS	STREET LIGHT IMPROVEMENTS	STORM WATER IMPROVEMENTS	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
General Government:										
(Including Building Services)	\$ 4,196,528	\$ 16,101,133	\$ 887,130	\$ 374,599	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 21,559,390
Total General Government	4,196,528	16,101,133	887,130	374,599	-0-	-0-	-0-	-0-	-0-	21,559,390
Public Safety:										
Police Department										
(Including Animal Control)	116,857	1,681,941	107,568	860,734	71,221	-0-	-0-	-0-	-0-	2,838,321
Fire Department	619,613	5,785,423	116,942	873,792	13,939	-0-	-0-	-0-	-0-	7,409,709
Total Public Safety	736,470	7,467,364	224,510	1,734,526	85,160	-0-	-0-	-0-	-0-	10,248,030
Public Works	175,168,310	1,275,150	244,378	199,001	-0-	-0-	-0-	-0-	-0-	176,886,839
Parks and Recreation	15,976,359	11,093,115	17,981,023	167,444	-0-	-0-	-0-	-0-	-0-	45,217,941
Community Development	-0-	286,548	1,855	43,066	-0-	-0-	-0-	-0-	-0-	331,469
Redevelopment Agency	717,131	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	717,131
Storm Water	160,657	-0-	-0-	25,508	-0-	-0-	29,941,065	-0-	-0-	30,127,230
Electric Utilities	-0-	-0-	-0-	-0-	-0-	10,262,124	-0-	-0-	-0-	10,262,124
Streets and Roads	-0-	-0-	-0-	-0-	-0-	-0-	-0-	115,153,286	-0-	115,153,286
Special Improvement Districts	19,753,981	-0-	-0-	-0-	-0-	-0-	-0-	4,132,081	-0-	23,886,062
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	15,131,150	15,131,150
Total governmental funds capital assets	\$ 216,709,436	\$ 36,223,310	\$ 19,338,896	\$ 2,544,144	\$ 85,160	\$ 10,262,124	\$ 29,941,065	\$ 119,285,367	\$ 15,131,150	\$ 449,520,652

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**SANDY CITY**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**For the Year Ended June 30, 2008**

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	GENERAL FIXED ASSETS 6/30/07	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS 6/30/08
General Government: (Including Building Services)	\$ 22,506,121	\$ 86,635	\$1,033,366	\$ 21,559,390
Total General Government	22,506,121	86,635	1,033,366	21,559,390
Public Safety:				
Police Department (Including Animal Control)	2,735,022	103,299	-0-	2,838,321
Fire Department	4,986,687	2,423,022	-0-	7,409,709
Total Public Safety	7,721,709	2,526,321	-0-	10,248,030
Public Works	175,378,841	1,681,163	173,165	176,886,839
Parks & Recreation	42,309,060	2,908,881	-0-	45,217,941
Community Development	331,469	-0-	-0-	331,469
Redevelopment Agency	717,131	-0-	-0-	717,131
Storm Water	27,804,136	2,323,094	-0-	30,127,230
Electric Utilities	9,329,621	932,503	-0-	10,262,124
Streets and Roads	112,777,601	2,375,685	-0-	115,153,286
Special Improvement Districts	4,132,082	19,753,980	-0-	23,886,062
Construction in Progress	8,425,070	11,228,983	4,522,903	15,131,150
	<u>\$ 411,432,841</u>	<u>\$43,817,244</u>	<u>\$5,729,434</u>	<u>\$ 449,520,652</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

# Impact Fees Received and Used in the Operations of Sandy City

**(Schedule Required by the State of Utah)**

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# SANDY CITY

## SCHEDULE OF IMPACT FEES

### COMPARATIVE SCHEDULES BY IMPACT TYPE, YEAR RECEIVED, AND PLANNED USE

Sandy City charges impact fees on all new residential and commercial construction within Sandy City limits for drainage, parks, trails, fire, and police. All new construction requiring City water service is charged a water connection fee. Impact fee revenue collected during the past ten fiscal years is presented in the following table. The actual capital project expenditures for fiscal year 2008, as well as the approved and planned budgets through fiscal year 2012, are presented below.

Impact Fee Revenue by Fiscal Year						
	Water	Drainage	Parks	Trails	Fire	Police
1999	\$ 589,824	\$ 213,004	\$ 187,620	\$ 159,730	\$ -0-	\$ -0-
2000	533,255	601,156	195,546	38,365	-0-	-0-
2001	438,420	338,613	180,270	34,654	-0-	-0-
2002	446,984	393,613	202,261	22,721	-0-	-0-
2003	392,341	293,283	275,983	23,148	-0-	-0-
2004	354,529	210,003	139,918	34,068	-0-	-0-
2005	380,602	327,545	141,903	58,905	-0-	-0-
2006	864,096	730,284	698,806	66,753	315,296	129,066
2007	586,673	487,886	468,896	60,877	261,730	113,838
2008	313,622	441,619	334,305	77,498	279,463	121,276

	Actual Expenditures 2008	Approved Budget 2009	Planned Budget 2010	Planned Budget 2011	Planned Budget 2012
<b>Water</b>					
Water impact fees provide partial funding for the City's portion of the cost of a new water treatment plant being built by the MWDSLS	\$ 4,210,322	\$ 4,210,322	\$ 4,210,322	\$ 4,210,322	\$ 4,210,322

<b>Drainage</b>					
Storm Drain impact fees provide partial funding for:					
1) Seven Springs/Middle Fork Drainage Project	33,560	242,755	-0-	-0-	-0-
Prevent flooding in the Middle Fork Drainage area					
2) 1650 East 10600 South	-0-	200,175	-0-	-0-	-0-
Tie two existing systems together to prevent ponding					
3) 9400 South Storm Drain	1,263,489	36,511	-0-	-0-	-0-
Complete bottom of system including outfall into Drycreek					
4) 8000 South Outfall Line	1,074,319	25,771	-0-	-0-	-0-
Installation of 8000 South storm drain trunk line					

<b>Parks</b>					
Parks impact fees provide partial funding for the following projects:					
1) Lone Peak Park	-0-	-0-	-0-	380,000	-0-
Completion of expansion projects					
2) Quail Hollow Park	51,282	315,646	255,000	255,000	255,000
Design/constuction of the Quail Hollow Park					
3) Dog Park	-0-	6,222	-0-	-0-	-0-
Develop one acre adjacent to Bluth Park					
4) Union Middle School Park	13,121	422,014	-0-	-0-	-0-
Construct 4.5 acres adjacent to school					
5) Urban Fishery	281,694	494,862	-0-	-0-	-0-
14 acres along the Jordan River					
6) Quarry Bend/8 Acre Park Improvements	622,196	-0-	-0-	-0-	-0-
Construct park improvements at Quarry Bend					

<b>Trails</b>					
Trails impact fees provide partial funding for four projects:					
1) Jordan River/Bonneville Shoreline/East Jordan Canal Trails	-0-	260,983	35,000	35,000	35,000
Design East Jordan Canal and continued work on Bonneville Shoreline and Jordan River trails					
2) Granite Trail Head	46,493	2,500	-0-	-0-	-0-
Complete paved parking lot					
3) Jordan River Trail Bridge	-0-	10,000	-0-	-0-	-0-
Connect Sandy's section of the Jordan River Trail with South Jordan's section					
4) Wasatch Boulevard Bike Trail	-0-	-0-	10,000	10,000	10,000
Construct and mark a bike trail					

**SANDY CITY**  
**SCHEDULE OF IMPACT FEES**  
**COMPARATIVE SCHEDULES BY IMPACT TYPE, YEAR RECEIVED, AND PLANNED USE**

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	Actual Expenditures 2008	Approved Budget 2009	Planned Budget 2010	Planned Budget 2011	Planned Budget 2012
<b>Fire</b>					
Fire impact fees provide partial funding for:					
1) Fire Station 32	\$ 594,839	\$ 8,000	\$ -0-	\$ -0-	\$ -0-
Completion of the Station 32 replacement and expansion					
2) Fire Training Tower	-0-	-0-	350,000	350,000	-0-
Partial funding of training tower with fire props					
<b>Police</b>					
Police impact fees provide partial funding to retire the debt on the Justice Center building that is dedicated in part for police use. The City acquired the building during fiscal year 2004.	296,868	302,205	301,924	301,055	299,368



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# STATISTICAL SECTION

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# STATISTICAL SECTION

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This part of Sandy City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends	130
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	136
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, water revenue. Property tax information has also been included.</i>	
Debt Capacity	143
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	148
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	150
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the current year.

**Sandy City**  
**Net Assets by Component**  
**Last Six Fiscal Years Ending June 30**  
**(Accrual Basis of Accounting)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 316,319,735	\$ 322,769,699	\$ 326,487,853	\$ 337,682,449	\$ 352,748,948	\$ 352,072,052
Restricted	10,852,892	9,357,059	5,914,418	5,646,513	5,585,051	9,887,074
Unrestricted	23,216,521	24,661,254	33,383,930	37,259,435	38,037,945	39,245,504
Total Governmental Activities Net Assets	<u>\$ 350,389,148</u>	<u>\$ 356,788,012</u>	<u>\$ 365,786,201</u>	<u>\$ 380,588,397</u>	<u>\$ 396,371,944</u>	<u>\$ 401,204,630</u>
<b>Business Type Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 44,732,306	\$ 48,891,585	\$ 49,315,238	\$ 36,734,060	\$ 68,892,235	\$ 72,410,556
Restricted	1,489,397	223,136	-0-	-0-	-0-	-0-
Unrestricted	29,402,041	34,098,051	36,611,766	53,590,820	26,416,189	28,901,116
Total Business-Type Activities Net Assets	<u>\$ 75,623,744</u>	<u>\$ 83,212,772</u>	<u>\$ 85,927,004</u>	<u>\$ 90,324,880</u>	<u>\$ 95,308,424</u>	<u>\$ 101,311,672</u>
<b>Primary government</b>						
Invested in Capital Assets, Net of Related Debt	\$ 361,052,041	\$ 371,661,284	\$ 375,803,091	\$ 374,416,509	\$ 392,073,152	\$ 424,482,608
Restricted	12,342,289	9,580,195	5,914,418	5,646,513	5,407,424	9,887,074
Unrestricted	52,618,562	58,759,305	69,995,696	90,850,255	94,199,792	68,146,620
Total Primary Government Net Assets	<u>\$ 426,012,892</u>	<u>\$ 440,000,784</u>	<u>\$ 451,713,205</u>	<u>\$ 470,913,277</u>	<u>\$ 491,680,368</u>	<u>\$ 502,516,302</u>

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

**Sandy City**  
**Changes in Net Assets**  
**Last Six Fiscal Years Ending June 30**  
**(Accrual Basis of Accounting)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
<i>Governmental Activities:</i>						
General Government	\$ 6,354,049	\$ 6,099,168	\$ 6,732,132	\$ 6,627,873	\$ 6,867,682	\$ 8,211,847
Police & Animal Control	10,921,199	11,039,961	11,574,194	11,758,990	12,006,296	12,714,056
Fire	6,592,822	6,684,265	6,547,657	6,844,133	6,706,058	7,752,211
Public Works	5,324,632	8,298,500	7,492,157	5,198,265	7,755,946	5,235,022
Parks, Landscapes, and Cemetery	2,927,991	3,313,008	4,163,629	3,463,605	4,510,115	4,073,782
Community Development	2,077,192	2,067,518	2,086,736	2,346,659	2,410,950	2,550,854
Economic Development	902,182	1,038,250	1,348,916	2,510,664	1,773,179	16,696,628
Recreation & Cultural Events	1,564,928	1,427,152	1,547,212	1,739,575	1,608,880	2,475,499
Electric Utility	772,840	897,171	870,085	938,764	957,904	1,002,939
Storm Water Utility	1,174,075	1,600,171	1,731,367	3,938,323	1,997,000	2,461,502
Interest on Long-Term Debt	2,608,382	2,412,157	2,237,033	2,127,833	1,855,689	3,267,144
Total Governmental Activities	41,220,292	44,877,321	46,331,118	47,494,684	48,449,699	66,441,484
<i>Business Type Activities</i>						
Alta Canyon Sports Center	1,002,446	1,034,668	1,058,633	1,066,562	1,114,365	1,174,844
Water	10,406,190	10,231,959	12,901,791	16,136,948	17,219,050	16,892,738
Waste	3,344,378	3,477,255	3,658,358	3,624,065	3,663,177	3,823,602
Golf Course	912,133	1,256,006	1,209,418	1,323,255	1,363,593	1,422,631
Total Business-Type Activities	15,665,147	15,999,888	18,828,200	22,150,830	23,360,185	23,313,815
<b>Total Primary Government Expenses</b>	<b>\$ 56,885,439</b>	<b>\$ 60,877,209</b>	<b>\$ 65,159,318</b>	<b>\$ 69,645,514</b>	<b>\$ 71,809,884</b>	<b>\$ 89,755,299</b>
<b>Program Revenues</b>						
<i>Governmental Activities:</i>						
Charges for Services:						
General Government	\$ 27,932	\$ 136,348	\$ 30,691	\$ 36,990	\$ 31,406	\$ 35,343
Police & Animal Control	2,503,235	3,040,121	3,672,182	3,198,097	3,552,617	3,267,375
Fire	1,043,746	1,344,975	1,411,659	1,726,046	1,941,523	2,133,336
Public Works	371,506	2,801,034	2,894,576	1,506,543	651,629	94,711
Community Development	1,754,869	1,810,767	2,188,270	2,762,696	2,935,698	2,801,626
Economic Development	3,500,288	3,515,038	4,002,758	4,406,573	4,592,366	4,678,009
Culture and Recreation	851,002	831,788	1,009,439	944,071	1,026,208	1,198,485
Storm Water Utility	3,021,733	2,973,078	3,258,241	3,652,827	3,436,837	4,753,257
Other Activities	166,786	198,701	190,948	205,994	714,630	653,063
Operating Grants and Contributions	3,779,329	4,212,373	3,702,446	4,624,621	3,908,887	3,707,626
Capital Grants and Contributions	331,364	385,028	447,787	2,553,325	4,032,491	6,319,117
Total Governmental Activities Program Revenues	17,351,790	21,249,251	22,808,997	25,617,783	26,824,292	29,641,948
<i>Business-Type Activities:</i>						
Charges for Services:						
Water	14,741,718	16,323,557	15,287,242	19,324,327	20,293,651	21,606,851
Waste	3,617,167	3,745,924	3,738,162	3,539,681	4,441,427	4,158,532
Alta Canyon	595,545	574,708	571,502	588,592	697,636	736,662
Golf Course	1,013,868	1,127,817	1,139,850	1,950,594	1,413,436	1,403,439
Capital Grants and Contributions	2,813,543	1,172,856	-0-	-0-	-0-	-0-
Total Business-Type Activities Program Revenues	22,781,841	22,944,862	20,736,756	25,403,194	26,846,150	27,905,484
<b>Total Primary Government Program Revenues</b>	<b>\$ 40,133,631</b>	<b>\$ 44,194,113</b>	<b>\$ 43,545,753</b>	<b>\$ 51,020,977</b>	<b>\$ 53,670,442</b>	<b>\$ 57,547,432</b>
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(23,868,502)	(23,628,070)	(23,522,121)	(21,876,901)	(21,625,407)	(36,799,536)
Business-Type Activities	7,116,694	6,944,974	1,908,556	3,252,364	3,485,965	4,591,669
<b>Total Primary Government Net Expense</b>	<b>\$ (16,751,808)</b>	<b>\$ (16,683,096)</b>	<b>\$ (21,613,565)</b>	<b>\$ (18,624,537)</b>	<b>\$ (18,139,442)</b>	<b>\$ (32,207,867)</b>

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

**Sandy City**  
**Changes in Net Assets (Continued)**  
**Last Six Fiscal Years Ending June 30**  
**(Accrual Basis of Accounting)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>						
<i>Governmental Activities:</i>						
Taxes						
Property Taxes	\$ 7,088,504	\$ 7,323,101	\$ 7,262,922	\$ 7,350,178	\$ 7,455,228	\$ 7,538,275
Sales Taxes	14,569,744	15,161,445	15,857,517	17,681,709	19,286,918	19,746,002
Franchise Taxes	4,299,404	4,688,366	6,284,131	6,600,373	7,091,234	7,145,328
Motor Vehicle Tax	918,730	881,376	818,905	825,617	824,486	757,242
Transient Room Tax	-0-	-0-	-0-	-0-	-0-	2,710,280
Investment Earnings	873,325	410,215	709,066	1,472,455	2,104,210	1,872,278
Miscellaneous	1,454,708	1,712,431	1,737,769	2,904,375	887,525	1,835,190
Transfers	(334,187)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
<i>Total Government Activities</i>	<u>28,870,228</u>	<u>30,026,934</u>	<u>32,520,310</u>	<u>36,684,707</u>	<u>37,499,601</u>	<u>41,454,595</u>
<i>Business-Type Activities:</i>						
Taxes						
Property Taxes	273,683	292,996	290,752	291,608	354,469	362,227
Motor Vehicle Tax	38,578	41,551	37,835	38,424	50,017	40,583
Investment Earnings	228,749	159,507	327,089	665,480	943,093	858,769
Transfers	334,187	150,000	150,000	150,000	150,000	150,000
<i>Total Business-Type Activities</i>	<u>875,197</u>	<u>644,054</u>	<u>805,676</u>	<u>1,145,512</u>	<u>1,497,579</u>	<u>1,411,579</u>
<b>Total Primary Government</b>	<u><u>\$ 29,745,425</u></u>	<u><u>\$ 30,670,988</u></u>	<u><u>\$ 33,325,986</u></u>	<u><u>\$ 37,830,219</u></u>	<u><u>\$ 38,997,180</u></u>	<u><u>\$ 42,866,174</u></u>
<b>Changes in Net Assets</b>						
Governmental Activities	5,001,726	6,398,864	8,998,189	14,807,806	15,874,194	4,655,059
Business-Type Activities	7,991,891	7,589,028	2,714,232	4,397,876	4,983,544	6,003,248
<b>Total Primary Government</b>	<u><u>\$ 12,993,617</u></u>	<u><u>\$ 13,987,892</u></u>	<u><u>\$ 11,712,421</u></u>	<u><u>\$ 19,205,682</u></u>	<u><u>\$ 20,857,738</u></u>	<u><u>\$ 10,658,307</u></u>

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

**Sandy City**  
**Government Activities Tax Revenues by Source**  
**Last Ten Fiscal Years Ending June 30**  
**(Accrual Basis of Accounting)**

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Transient Room Tax</b>	<b>Total</b>
1999	\$ 5,141,763	\$12,966,383	\$ 3,483,868	\$ 966,216	\$ -0-	\$22,558,230
2000	5,402,003	14,080,123	3,603,078	764,085	-0-	23,849,289
2001	6,068,967	14,773,043	4,435,823	721,930	-0-	25,999,763
2002	7,039,466	14,740,321	4,501,770	867,215	-0-	27,148,772
2003	7,088,504	14,569,744	4,299,404	918,730	-0-	26,876,382
2004	7,323,101	15,161,445	4,688,366	881,376	-0-	28,054,288
2005	7,262,922	15,857,517	6,284,131	818,905	-0-	30,223,475
2006	7,350,178	17,681,709	6,600,373	825,617	-0-	32,457,877
2007	7,455,228	19,286,918	7,091,234	824,486	-0-	34,657,866
2008	7,538,275	19,746,002	7,145,328	757,242	2,710,280	37,897,127

Source: Sandy City Finance Department

# Sandy City

## Fund Balances of Governmental Funds

### Last Ten Fiscal Years Ending June 30

(Modified Accrual Basis of Accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 177,627	\$ 156,328
Unreserved	2,600,277	2,885,777	3,709,277	3,939,277	4,089,891	4,154,891	4,154,891	4,897,087	5,522,615	5,546,417
Total General Fund	<u>\$ 2,600,277</u>	<u>\$ 2,885,777</u>	<u>\$ 3,709,277</u>	<u>\$ 3,939,277</u>	<u>\$ 4,089,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,897,087</u>	<u>\$ 5,522,615</u>	<u>\$ 5,702,745</u>
<b>All Other Governmental Funds</b>										
Reserved for:										
Debt Service	\$ 2,692,045	\$ 4,153,553	\$ 4,105,730	\$ 4,105,730	\$ 4,218,330	\$ 3,010,830	\$ 1,420,600	\$ 1,420,600	\$ 979,700	\$ 1,779,700
Capital Projects	6,736,988	9,541,587	6,324,753	3,392,020	5,153,891	5,082,959	3,516,808	3,751,658	4,117,807	7,804,211
Roads	604,922	770,378	1,372,464	1,299,106	1,480,671	1,263,270	977,010	474,255	309,917	146,835
Special Revenues	-0-	-0-	-0-	-0-	3,396,231	3,442,350	-0-	-0-	-0-	-0-
Unreserved										
Debt Service	1,440,707	1,269,363	1,003,143	597,197	597,197	1,192,493	1,414,559	1,510,146	2,228,398	530,801
Capital Projects	6,758,288	7,454,792	9,488,670	10,037,598	10,037,598	6,904,519	9,952,490	12,876,762	13,143,871	15,264,035
Special Revenues	9,255,441	13,792,376	15,561,514	17,732,493	1,162,806	4,471,071	11,698,810	10,932,860	9,296,182	9,879,327
Total All Other Governmental Funds	<u>\$ 27,488,391</u>	<u>\$ 36,982,049</u>	<u>\$ 37,856,274</u>	<u>\$ 37,164,144</u>	<u>\$ 26,046,724</u>	<u>\$ 25,367,492</u>	<u>\$ 28,980,277</u>	<u>\$ 30,966,281</u>	<u>\$ 30,727,192</u>	<u>\$ 35,404,909</u>
<b>Total Governmental Funds</b>	<u>\$ 30,088,668</u>	<u>\$ 39,867,826</u>	<u>\$ 41,565,551</u>	<u>\$ 41,103,421</u>	<u>\$ 30,136,615</u>	<u>\$ 29,522,383</u>	<u>\$ 33,135,168</u>	<u>\$ 35,863,368</u>	<u>\$ 36,249,807</u>	<u>\$ 41,107,654</u>



# Sandy City

## Changes in Fund Balances of Governmental Funds

Last Six Fiscal Years Ending June 30

(Modified Accrual Basis of Accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Revenues</b>						
Taxes	\$ 30,332,193	\$ 31,626,757	\$ 34,324,191	\$ 36,872,673	\$ 39,267,772	\$ 42,551,319
Special Assessments	395,235	994,215	988,511	904,929	345,358	351,841
Innkeeper Fees	167,963	178,730	194,291	231,569	268,062	309,467
Licenses and Permits	1,685,082	1,740,360	2,011,739	2,571,942	2,748,928	2,692,112
Inter-Governmental Revenue	3,993,322	4,449,925	3,974,374	5,202,115	5,342,008	8,337,754
Charges for Services	4,888,376	5,575,609	5,907,478	5,653,216	5,985,179	145,600
Administrative Charges	1,033,484	1,151,671	1,344,587	1,520,720	1,705,077	1,774,104
Fines & Forfeitures	2,352,612	2,661,801	2,587,126	2,615,913	3,070,564	2,939,116
Cell Tower Leases	131,356	138,426	153,555	160,432	123,977	171,149
Fees from Developers	595,913	223,197	611,407	2,069,176	1,398,039	1,256,316
Interest Income	873,327	410,214	709,067	1,472,455	2,104,221	1,872,279
Miscellaneous Revenues	850,933	720,761	1,555,347	2,132,228	809,866	1,500,977
Total Revenues	47,299,796	49,871,666	54,361,673	61,407,368	63,169,051	63,902,034
<b>Expenditures</b>						
General Government	7,120,587	7,271,840	7,616,861	8,019,303	8,280,534	9,131,780
Police & Animal Control	10,731,603	11,033,512	11,623,762	12,109,074	12,306,945	13,068,604
Fire	6,435,356	6,497,598	6,418,692	6,734,250	6,889,773	8,062,254
Public Works	4,691,872	4,990,014	4,773,677	5,111,617	5,311,469	7,705,849
Parks, Landscapes, and Cemetery	2,507,553	2,661,076	2,693,818	2,899,421	3,311,466	3,605,854
Community Development	2,010,190	2,029,435	2,037,419	2,293,498	2,400,364	2,538,091
Economic Development	894,759	1,033,553	1,342,373	2,505,894	1,775,785	16,682,595
Recreation and Cultural Events	1,478,515	1,329,247	1,483,375	1,514,284	1,936,972	2,205,304
Electric Utility	491,681	591,767	568,783	627,597	643,278	667,100
Storm Water Utility	887,804	1,096,292	1,201,137	1,097,871	1,284,352	1,667,288
Capital Outlays	17,473,410	8,207,410	3,926,828	8,166,646	13,094,816	35,162,622
Debt Service						
Principal	3,668,221	2,853,000	5,000,000	5,428,253	3,931,253	5,161,760
Interest	2,642,292	2,578,065	2,234,858	2,120,693	1,909,478	2,383,327
Other Charges	167,101	139,136	1,372,135	76,540	15,988	625,567
Total Expenditures	61,200,944	52,311,945	52,293,718	58,704,941	63,092,473	108,667,995
Excess of Revenues Over (Under) Expenditure:	(13,901,148)	(2,440,279)	2,067,955	2,702,427	76,578	(44,765,961)
<b>Other Financing Sources (Uses)</b>						
Issuance of Debt	7,557,947	7,287,091	16,520,000	3,650,000	-0-	41,360,000
Redemption of Refunded Bonds	(5,140,703)	(5,525,000)	(3,251,000)	(3,670,000)	(3,251,000)	-0-
Bond Premium	-0-	-0-	857,599	90,798	-0-	282,793
Fees from Developers	-0-	210,003	-0-	-0-	-0-	-0-
Other Income	-0-	1,304	-0-	-0-	-0-	-0-
Sale of Capital Assets	245,418	2,649	12,231	104,975	2,967,323	1,865,544
Transfers In	9,736,065	8,466,823	10,295,916	12,085,439	13,521,390	14,829,125
Transfers Out	(9,953,203)	(8,616,823)	(10,445,916)	(12,235,439)	(13,571,390)	(14,829,125)
Total Other Financing Sources (Uses)	2,445,524	1,826,047	13,988,830	25,773	(333,677)	43,508,337
Net Changes in Fund Balances	<u><u>\$(11,455,624)</u></u>	<u><u>\$ (614,232)</u></u>	<u><u>\$ 16,056,785</u></u>	<u><u>\$ 2,728,200</u></u>	<u><u>\$ (257,099)</u></u>	<u><u>\$ (1,257,624)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	<u>17.4%</u>	<u>14.5%</u>	<u>21.6%</u>	<u>17.8%</u>	<u>13.3%</u>	<u>12.5%</u>

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

## Sandy City

### General Government Tax Revenues by Source

#### Last Ten Fiscal Years Ending June 30

(Modified Accrual Basis of Accounting)

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Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Total
1999	\$ 4,865,626	\$ 12,966,383	\$ 3,483,868	\$ 966,216	\$ 22,282,093
2000	5,092,701	14,080,123	3,603,078	764,085	23,539,987
2001	5,737,847	14,773,043	4,435,823	721,930	25,668,643
2002	6,746,658	14,740,321	4,501,770	867,215	26,855,964
2003	6,778,104	14,569,744	4,299,404	918,730	26,565,982
2004	7,103,637	15,161,445	4,688,366	881,376	27,834,824
2005	7,082,393	15,857,517	6,284,131	818,905	30,042,946
2006	7,075,103	17,681,709	6,600,373	825,617	32,182,802
2007	7,185,286	19,286,918	7,091,234	824,486	34,387,924
2008	7,233,667	19,746,002	7,145,328	757,242	34,882,239

Source: Sandy City Finance Department

# Sandy City

## Water Fund Billed Sales and Rates

Last Ten Fiscal Years Ending June 30

Fiscal Year	Total Billed Sales	Sandy Rates		
		Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>
1999	\$ 8,504,687	\$0.356/unit/day	\$ 0.66	\$ -0-
2000	9,896,450	11.37	0.70	-0-
2001	10,798,859	12.64	1.10/0.70	-0-
2002	12,850,841	13.51	1.48/0.82	-0-
2003	13,118,786	14.39	1.58/0.87	-0-
2004	14,306,571	15.33	1.68/0.93	-0-
2005	14,178,536	16.33	1.79/0.99	1.35
2006	17,208,159	17.39	1.91/1.05	1.35
2007	18,647,355	18.52	2.03/1.12	1.35
2008	20,528,524	19.72	2.16/1.20	0.80

Fiscal Year	Union Jordan Rates			Salt Lake County Rates		
	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>
1999	\$0.480/unit/day	\$ 0.66	\$ -0-	\$0.494/unit/day	\$ 0.90	\$ -0-
2000	15.33	0.70	-0-	15.78	0.95	-0-
2001	13.73	1.10/0.70	-0-	13.83	1.30/0.84	-0-
2002	18.22	1.48/0.82	-0-	18.75	1.63/0.89	-0-
2003	19.40	1.58/0.87	-0-	19.97	1.74/0.95	-0-
2004	20.66	1.68/0.93	-0-	21.27	1.85/1.01	-0-
2005	22.00	1.79/0.99	1.35	22.65	1.97/1.08	1.35
2006	23.43	1.91/1.05	1.35	24.12	2.10/1.15	1.35
2007	24.96	2.03/1.12	1.35	25.69	2.23/1.22	1.35
2008	26.58	2.16/1.20	0.80	27.36	2.38/1.30	0.80

<sup>1</sup>Water Base rates are based on a 3/4" meter, which is the standard size meter for most residences in Sandy. The City went from a per day charge to a monthly charge in fiscal year 2000.

<sup>2</sup>The first amount is the rate during peak season (May-September), and the second amount is the rate during non-peak season (October - April). The City adopted peak season rates in fiscal year 2001.

<sup>3</sup>The City began charging fluoride during fiscal year 2005.

Note: The City provides water services for the Union Jordan (Midvale) area as well as some Salt Lake County areas within the City.

**Sandy City**  
**Principal Water Users**  
**June 30, 2008**

Taxpayer	2008			2003		
	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue
Jordan School District	\$ 354,921	1	1.729%	\$ 394,800	1	2.856%
Sandy City	256,846	2	1.251%	352,382	2	2.549%
FM Group	148,022	3	0.721%	167,917	3	1.215%
Jordan Commons	63,973	4	0.312%	39,553	7	0.286%
SSR Western Multi-family LLC	63,332	5	0.309%			
IHC Health Services	50,270	6	0.245%	37,708	8	0.273%
Salt Lake County	44,542	7	0.217%	70,723	4	0.512%
Crescentwood Village	33,724	8	0.164%			
Wasatch Property Management	31,982	9	0.156%			
Waterford School	29,621	10	0.144%	41,248	6	0.298%
Promontory Point Apartments				42,947	5	0.311%
Archstone Communities				37,201	9	0.269%
Fair Meadows Apartments				36,085	10	0.261%
Totals	<u>\$ 1,077,233</u>		<u>3.519%</u>	<u>\$ 825,764</u>		<u>5.974%</u>

Source: Sandy City Finance Department

## Sandy City

### Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years Ending June 30

Fiscal Year	Real Property		Personal Property		Mines & Utilities	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Primary Residential	Other Property	Non Residential	Other Property					
1999	\$ 2,322,246,731	\$ 811,075,256	\$ 173,900,369	\$ 9,301,187	\$ 92,568,756	\$ 3,409,092,299	0.001606	\$ 5,317,298,007	64.11%
2000	2,442,706,876	853,147,548	182,920,971	9,783,660	97,370,505	3,585,929,560	0.001615	5,541,482,116	64.71%
2001	2,504,550,719	988,221,885	172,532,176	9,785,370	127,041,282	3,802,131,432	0.001788	5,885,828,378	64.60%
2002	2,569,848,579	1,109,094,963	211,596,864	9,871,629	137,267,047	4,037,679,082	0.001960	6,161,254,606	65.53%
2003	2,736,492,162	1,116,677,816	216,897,300	9,455,672	114,450,137	4,193,973,087	0.001895	6,446,408,328	65.06%
2004	2,807,271,158	1,148,112,976	239,719,487	8,944,097	110,293,552	4,314,341,270	0.001890	6,635,180,654	65.02%
2005	2,944,551,884	1,200,902,970	230,145,834	7,376,833	99,646,666	4,482,624,187	0.001844	6,919,830,111	64.78%
2006	3,131,181,804	1,307,015,205	226,720,848	6,663,727	94,897,357	4,766,478,941	0.001757	7,349,103,358	64.86%
2007	3,596,375,124	1,621,628,690	246,526,132	6,165,738	97,311,677	5,568,007,361	0.001514	8,490,652,494	65.58%
2008	4,465,548,427	1,970,975,573	267,909,994	7,253,552	122,998,276	6,834,376,909	0.001252	10,433,398,227	65.50%

Source: Salt Lake County Auditor and Salt Lake County Treasurer

<sup>1</sup>Property in the county is reassessed annually. Tax rates are per \$1 of assessed value

**Sandy City**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years Ending June 30**

Fiscal Year	Sandy City				Overlapping <sup>1</sup> Rates				Total Direct & Overlapping Rates
	General Fund	Debt Service	Risk Management	Total City Millage	Salt Lake County	Jordan School District	Salt Lake County Library	Special Districts <sup>2</sup>	
1999	0.001529	0.000077	0.000000	0.001606	0.002805	0.006561	0.000607	0.001267	0.012846
2000	0.001537	0.000078	0.000000	0.001615	0.003246	0.007582	0.000625	0.001258	0.014326
2001	0.001613	0.000075	0.000100	0.001788	0.002904	0.008845	0.000583	0.001260	0.015380
2002	0.001790	0.000073	0.000097	0.001960	0.003025	0.008424	0.000764	0.001390	0.015563
2003	0.001730	0.000071	0.000094	0.001895	0.002939	0.008344	0.000744	0.001501	0.015423
2004	0.001725	0.000071	0.000094	0.001890	0.002868	0.008366	0.000747	0.001728	0.015599
2005	0.001683	0.000069	0.000092	0.001844	0.002816	0.008856	0.000733	0.001686	0.015935
2006	0.001603	0.000066	0.000088	0.001757	0.002682	0.008655	0.000696	0.001751	0.015541
2007	0.001381	0.000057	0.000076	0.001514	0.002371	0.007347	0.000617	0.001797	0.013646
2008	0.001142	0.000047	0.000063	0.001252	0.001994	0.006617	0.000517	0.001551	0.011931

Source: Salt Lake County Recorder's Office

<sup>1</sup>Overlapping rates are those of local and county governments that apply to property owners within Sandy City. Not all overlapping rates apply to all Sandy City property owners. The rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district

<sup>2</sup>Includes South Salt Lake County Mosquito District, Salt Lake County Water District, Sandy Suburban Improvement District, and Central Utah Water District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

**Sandy City**  
**Principal Property Taxpayers**  
**June 30, 2008**

<b>Taxpayer</b>	<b>2007</b>			<b>1998</b>		
	<b>Taxable Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Value</b>	<b>Taxable Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Value</b>
Macerich Co.	\$ 169,949,600	1	2.49%	\$ 75,712,100	1	4.44%
Lawrence & Karen Miller	145,597,300	2	2.13%	21,586,500	5	1.27%
Ronald Raddon	73,823,401	3	1.08%			
The Boyer Company	65,438,900	4	0.96%	25,717,800	3	1.51%
Magna Investment	58,062,000	5	0.85%			
KBS South Towne, LLC	48,952,000	6	0.72%			
SSR Western Multifamily LLC	39,727,850	7	0.58%			
Pacificorp	37,748,281	8	0.55%	26,365,704	2	1.55%
Becton Dickinson & Company	30,123,800	9	0.44%	13,683,700	7	0.80%
Qwest Communications	25,479,658	10	0.37%	25,260,487	4	1.48%
Mariemont Corp.				16,099,400	6	0.94%
Questar Gas				12,651,766	8	0.74%
IHC Hospitals Inc				12,420,138	9	0.73%
Bien Venue Inc & Vestwood				12,365,500	10	0.73%
Totals	<u>\$ 694,902,790</u>		<u>10.17%</u>	<u>\$ 229,497,595</u>		<u>13.46%</u>

Note: Annual amounts are shown only for the top ten ranked taxpayers. Including the other amounts would skew the overall total and percentage for the top ten taxpayers.

Source: Utah State Tax Commission and the Salt Lake County Assessment Records

**Sandy City**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years Ending June 30**

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Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Percentage			Percentage
		Amount	of Levy		Amount	of Levy
1999	\$ 5,070,740	\$ 4,904,779	96.7%	\$ 154,248	\$ 5,059,027	99.8%
2000	5,290,874	5,077,138	96.0%	169,923	5,247,061	99.2%
2001	6,355,678	6,076,766	95.6%	211,487	6,288,253	98.9%
2002	7,371,920	7,077,655	96.0%	286,688	7,364,343	99.9%
2003	7,421,348	7,113,298	95.8%	299,693	7,412,991	99.9%
2004	7,629,366	7,372,650	96.6%	228,767	7,601,417	99.6%
2005	7,703,715	7,474,696	97.0%	184,512	7,659,208	99.4%
2006	7,771,552	7,543,432	97.1%	160,338	7,703,770	99.1%
2007	7,812,874	7,597,445	97.2%	-0-	7,597,445	97.2%
2008	8,556,640	8,279,797	96.8%	-0-	8,279,797	96.8%

Source: Sandy City Finance Department



## Sandy City

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years Ending June 30

Fiscal Year	Governmental Activities						Business Activities		Total Primary Government	Percentage of Adjusted Gross Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Capital Leases	Contract Payable	Notes Payable	Revenue Bonds	Contract Payable			
1999	\$ 7,015,000	\$ 19,980,000	\$ 2,310,000	\$ 1,086,120	\$ -0-	\$ 2,380,000	\$ 9,885,000	\$ -0-	\$ 42,656,120	1.9%	\$ 423
2000	6,615,000	35,495,000	2,205,000	785,750	-0-	2,305,000	9,040,000	-0-	56,445,750	2.4%	553
2001	6,190,000	33,740,000	2,095,000	534,978	-0-	2,225,000	8,335,000	-0-	53,119,978	2.3%	601
2002	5,735,000	41,340,000	1,975,000	273,221	-0-	2,140,000	7,585,000	-0-	59,048,221	2.8%	658
2003	5,255,000	37,315,000	7,131,000	345,300	-0-	2,045,000	11,350,000	-0-	63,441,300	2.9%	679
2004	4,750,000	37,245,000	6,653,000	262,413	-0-	1,945,000	14,365,000	-0-	65,220,413	2.8%	704
2005	4,225,000	34,340,000	6,018,000	177,262	2,516,267	1,835,000	14,210,000	13,832,100	77,153,629	3.1%	834
2006	3,650,000	30,740,000	5,363,000	89,812	2,013,014	1,720,000	13,315,000	13,722,120	70,612,946	N/A	751
2007	3,050,000	28,305,000	1,844,000	-0-	1,509,760	1,595,000	12,395,000	13,667,130	62,365,890	N/A	653
2008	-0-	67,185,000	-0-	-0-	-0-	1,325,000	11,450,000	13,607,910	93,567,910	N/A	974

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on page 146 for income and population data.

**Sandy City**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years Ending June 30**

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<b>Fiscal Year</b>	<b>General Obligation Bonds<sup>1</sup></b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>2</sup></b>	<b>Per Capita<sup>3</sup></b>
1999	\$ 7,015,000	0.13%	\$ 70
2000	6,615,000	0.12%	65
2001	6,190,000	0.11%	70
2002	5,735,000	0.09%	64
2003	5,255,000	0.08%	56
2004	4,750,000	0.07%	51
2005	4,225,000	0.06%	46
2006	3,650,000	0.05%	39
2007	3,050,000	0.04%	32
2008	2,425,000	0.02%	25

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>There are no amounts available in the debt service fund to pay off general obligation bonds.

<sup>2</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 137 for property value data.

<sup>3</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 146.

**Sandy City**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2008**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>3</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt			
State of Utah	\$ 1,284,000,000	3.60%	\$ 46,224,000
CUWCD <sup>1</sup>	311,564,660	6.06%	18,880,818
Salt Lake County	235,532,482	8.93%	21,033,051
Jordan School District	159,285,000	22.30%	35,520,555
South Valley Sewer District	430,000	25.00%	107,500
Sandy Suburban Improvement District	13,585,000	40.00%	5,434,000
Total Overlapping Debt	<u>\$ 2,004,397,142</u>		<u>\$ 127,199,924</u>
Total Overlapping Debt Less the State <sup>2</sup>			<u>80,975,924</u>
Sandy City Total Direct Debt			<u>69,927,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 150,902,924</u></u>

Source: Zions Bank Public Finance

<sup>1</sup>Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the State issued under the Water Conservancy Act. By law CUWCD may levy a tax rate of up to .04 percent to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

<sup>2</sup>The State's general obligation debt is not included in overlapping debt because the State levies no property tax for the payment of general obligation bonds.

<sup>3</sup>Estimated percentage applicable is rounded to the nearest 100th percent

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**Sandy City**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years Ending June 30**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>Debt Limit</u></b>										
General (4% Fair Cash Value) <sup>1</sup>	\$ 212,691,920	\$ 221,659,285	\$ 235,433,135	\$ 246,450,184	\$ 257,856,333	\$ 265,407,226	\$ 276,793,204	\$ 293,964,135	\$ 339,626,100	\$ 417,335,929
Water & Sewer (4% Fair Cash Value) <sup>1</sup>	212,691,920	221,659,285	235,433,135	246,450,184	257,856,333	265,407,226	276,793,204	293,964,134	339,626,100	417,335,929
Total 8% Debt Limit	425,383,840	443,318,570	470,866,270	492,900,368	515,712,666	530,814,452	553,586,408	587,928,269	679,252,200	834,671,858
Total Net Debt Applicable to Limit	7,015,000	6,615,000	6,190,000	5,735,000	5,255,000	4,750,000	4,225,000	3,650,000	3,050,000	2,425,000
Legal Debt Margin	<u>\$ 418,368,840</u>	<u>\$ 436,703,570</u>	<u>\$ 464,676,270</u>	<u>\$ 487,165,368</u>	<u>\$ 510,457,666</u>	<u>\$ 526,064,452</u>	<u>\$ 549,361,408</u>	<u>\$ 584,278,269</u>	<u>\$ 676,202,200</u>	<u>\$ 832,246,858</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.649%	1.492%	1.315%	1.164%	1.019%	0.895%	0.763%	0.621%	0.449%	0.291%

**Legal Debt Margin Calculation for Fiscal Year 2008**

Assessed Valuation:	
Primary Residential	\$ 4,439,891,748
All Other	2,394,485,161
Total Assessed Value	<u>\$ 6,834,376,909</u>
Reasonable Fair Cash Value	\$ 10,433,398,227
Debt Limit (8% of Reasonable Fair Cash Value) <sup>1</sup>	834,671,858
Debt Applicable to Limit:	
General Obligation Bonds	2,425,000
Less: Amount Set Aside for Repayment of General Obligation Debt	-0-
Total Net Debt Applicable to Limit	<u>2,425,000</u>
Legal Debt Margin	<u>\$ 832,246,858</u>

Source: Salt Lake County Auditor's Office

<sup>1</sup>The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

**Sandy City**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years Ending June 30**

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds			
	Gross Revenue	Less: Direct Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1999	\$ 9,018,911	\$ 5,816,145	\$ 3,202,766	\$ 790,000	\$ 610,040	2.29	\$ 12,966,383	\$ -0-	\$ -0-	-0-
2000	10,311,370	6,538,517	3,772,853	845,000	513,969	2.78	14,080,123	-0-	-0-	-0-
2001	11,330,559	6,240,341	5,090,218	705,000	457,423	4.38	14,773,043	-0-	-0-	-0-
2002	13,412,729	6,969,192	6,443,537	750,000	415,638	5.53	14,740,321	-0-	-0-	-0-
2003	14,935,903	10,172,883	4,763,020	785,000	377,637	4.10	14,569,744	480,000	589,290	13.63
2004	15,546,223	10,194,711	5,351,512	825,000	485,435	4.08	15,161,445	700,000	732,130	10.59
2005 <sup>1</sup>	15,572,878	12,508,458	3,064,420	-0-	478,381	6.41	15,857,517	3,165,000	1,565,293	3.35
2006	19,647,097	14,926,004	4,721,093	735,000	1,125,551	2.54	17,681,709	3,010,000	1,398,140	5.41
2007	20,840,144	16,391,342	4,448,802	810,017	990,162	2.47	19,286,918	1,945,000	1,324,021	6.54
2008	22,417,262	15,900,086	6,517,176	834,220	968,930	3.61	19,746,002	1,685,000	1,264,928	6.69

Fiscal Year	Special Assessment Bonds				Motor Fuel Excise Tax Revenue Bonds				Transient Tax Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	B & C Road Fund Collections	Debt Service		Coverage	Transient Tax Revenue Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
1998	\$ 248,249	\$ 90,000	\$ 175,070	0.94	\$ 2,782,454	\$ 750,000	\$ 465,048	2.29	\$ -0-	\$ -0-	\$ -0-	-0-
1999	207,388	95,000	170,300	0.78	3,116,619	835,000	382,105	2.56	-0-	-0-	-0-	-0-
2000	244,618	100,000	164,980	0.92	3,313,462	870,000	347,353	2.72	-0-	-0-	-0-	-0-
2001	247,139	105,000	159,180	0.94	3,281,124	1,445,000	617,788	1.59	-0-	-0-	-0-	-0-
2002	250,879	110,000	152,880	0.95	2,839,583	1,465,000	600,146	1.38	-0-	-0-	-0-	-0-
2003 <sup>2</sup>	-0-	120,000	146,005	-0-	3,028,933	1,530,000	532,994	1.47	-0-	-0-	-0-	-0-
2004	991,015	478,000	287,560	1.29	3,240,291	1,600,000	461,489	1.57	-0-	-0-	-0-	-0-
2005	986,961	635,000	276,603	1.08	2,828,925	595,000	251,564	3.34	-0-	-0-	-0-	-0-
2006	904,549	655,000	256,864	0.99	3,475,548	620,000	221,814	4.13	-0-	-0-	-0-	-0-
2007	344,658	679,000	234,165	0.38	3,183,289	655,000	190,814	2.84	-0-	-0-	-0-	-0-
2008	351,841	703,000	208,471	0.39	3,271,347	965,000	350,995	2.49	2,710,280	-0-	683,200	4

<sup>1</sup>The total reduction in long term debt was \$8,055,000, of which \$7,560,000 represented defeasance of debt from bond refunding and \$495,000 represented a reduction in bond principle.

<sup>2</sup>The original bond was refunded with cash flow savings taken in the first and second year of refunding. Sufficient reserves existed to service debt. As such, no assessment was required as of year end. Additionally, two new SIDs were created with a payment date of December 15, 2003.

**Sandy City**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years Ending June 30**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Adjusted Gross Income<sup>3</sup></b>	<b>Per Capita Adjusted Gross Income<sup>3</sup></b>	<b>Median Age<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
1999	100,822	\$ 3,304,764,310	\$ 32,778	\$ 2,228,415,644	\$ 22,102	22.9	2.6%
2000	102,033	3,574,890,795	35,036.61	2,345,195,742	22,985	29.1	2.1%
2001	88,419	3,463,924,333	39,176.24	2,318,209,287	26,218	29.1	2.4%
2002	89,745	3,534,756,235	39,386.66	2,109,255,254	23,503	29.1	4.3%
2003	93,500	3,433,138,636	36,718.06	2,196,558,395	23,493	29.1	4.5%
2004	92,685	4,203,938,276	45,357.27	2,303,635,015	24,854	29.1	3.3%
2005 <sup>7</sup>	92,500	N/A	N/A	2,529,506,622	27,346	29.1	3.2%
2006	94,000	4,144,605,882	44,091.55	2,793,473,152	29,718	29.1	2.8%
2007 <sup>7,8</sup>	95,449	4,554,880,000	47,720.56	N/A	N/A	29.1	1.7%
2008 <sup>7,8</sup>	96,074	N/A	N/A	N/A	N/A	29.1	1.9%

<b>Fiscal Year</b>	<b>High School or Less<sup>2</sup></b>	<b>Some College/ Tech School<sup>2</sup></b>	<b>Two-Year College Degree<sup>2</sup></b>	<b>Bachelors Degree (4 yrs.)<sup>2</sup></b>	<b>Grad. School/ beyond 4 yr.<sup>2</sup></b>	<b>Refused to Answer<sup>2</sup></b>	<b>School Enrollment<sup>6</sup></b>
1999	18%	21%	14%	29%	17%	1%	25,714
2000	13%	27%	12%	29%	17%	2%	24,844
2001	15%	25%	14%	26%	19%	1%	24,538
2002	15%	21%	10%	33%	19%	1%	23,959
2003	14%	25%	10%	31%	17%	2%	23,756
2004	12%	23%	13%	32%	18%	2%	23,143
2005 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	22,570
2006	14%	20%	12%	31%	20%	3%	22,365
2007	13%	17%	10%	38%	21%	1%	21,634
2008 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	21,484

<sup>1</sup>Source: Sandy City Planning Division

<sup>2</sup>Source: Estimated using information received from the Dan Jones Survey

<sup>3</sup>Source: Utah State Tax Commission (Based on a calendar year)

<sup>4</sup>Source: Census Bureau (Based on 1990 and 2000 census)

<sup>5</sup>Source: Bureau of Labor Statistics

<sup>6</sup>Source: Jordan School District

<sup>7</sup>No Dan Jones Survey was conducted during fiscal years 2005 or 2008.

<sup>8</sup>Information was from Utah State Tax Commission was unavailable at the time of this report.

**Sandy City  
Principal Employers  
Current Year and Prior Year**

<b>Employer</b>	<b>2008</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Becton Dickinson	1,092	1	1.99%	1,092	2	2.06%
Discover Financial Services	998	2	1.82%	1,441	1	2.71%
ACS Business Solutions	633	3	1.15%	633	3	1.19%
Sandy City Corporation	506	4	0.92%	511	4	0.96%
WalMart	400	5	0.73%	400	5	0.75%
Harman Music Group Inc	355	6	0.65%	355	6	0.67%
Alta View Hospital	332	7	0.61%	332	7	0.63%
UCN Inc	314	8	0.57%			
E Trade Financial	310	9	0.57%	310	8	0.58%
Aetna Behavioral Health	283	10	0.52%	283	9	0.53%
Macey's Grocery Store	272		0.50%	272	10	0.51%
<b>Total</b>	<b>5,495</b>		<b>10.02%</b>	<b>5,629</b>		<b>10.60%</b>

Note: Annual amounts are shown only for the top ten principal employers. Including the other amounts would skew the overall total and percentage for the top ten principal employers

Source: Sandy City Business License Division and Bureau of Labor Statistics

**Sandy City**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years Ending June 30**

<b>Function</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Government										
Mayor	3.3	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.3	3.8
City Administrator	10.8	14.6	17.0	18.0	19.8	19.8	19.8	20.0	21.0	20.6
City Council	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	9.2	8.6	8.6	8.6	8.0	8.0	8.6	9.6	10.4	9.6
Court Services	9.6	9.6	9.6	8.6	11.6	10.6	12.6	14.6	15.0	15.6
Finance & Information Services	18.3	20.3	24.3	24.3	26.4	27.4	27.4	28.4	29.6	29.9
Economic Development	0.7	0.9	0.9	2.4	2.4	1.9	2.9	2.9	2.9	2.7
Non-Departmental	1.0	1.5	1.5	1.0	1.8	1.8	1.8	1.8	2.8	2.8
Public Safety										
Police	98.4	97.6	108.6	113.1	116.6	116.1	116.6	140.6	138.0	142.6
Fire	55.0	55.0	64.0	75.0	79.0	76.0	77.0	77.0	75.0	78.0
Animal Services	6.0	6.0	6.0	6.0	6.0	5.0	8.0	8.0	8.0	8.0
Public Works	44.3	45.3	46.3	47.3	48.3	48.3	52.3	52.3	53.3	55.3
Parks & Recreation	20.3	18.8	21.8	24.3	25.3	27.3	28.8	29.3	31.0	31.1
Alta Canyon Sports Center	1.8	1.8	1.8	2.8	5.0	6.0	6.0	7.0	7.0	6.8
River Oaks Golf Course	-0-	-0-	-0-	6.0	6.0	6.0	5.0	5.0	6.0	6.0
Community Events/ Sandy Arts Guild	1.0	1.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0	5.0
Community Development	23.5	24.5	25.5	26.5	26.5	26.4	27.4	27.4	26.8	27.5
Utilities										
Water	21.9	27.7	31.7	35.7	37.2	37.2	39.2	40.2	39.4	39.2
Storm Water	6.4	7.7	7.2	9.2	10.2	11.2	12.2	13.2	13.4	15.2
Electric	0.2	0.2	1.2	1.2	2.2	3.2	3.2	3.2	3.2	3.2
<b>Total</b>	<b>334.5</b>	<b>347.4</b>	<b>384.2</b>	<b>418.2</b>	<b>440.6</b>	<b>441.5</b>	<b>458.1</b>	<b>489.7</b>	<b>493.0</b>	<b>505.7</b>

Source: Sandy City Payroll Division



**Sandy City**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years Ending June 30**

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical Arrests	4,191	4,030	3,984	4,175	4,420	4,339	3,980	4,253	4,374	4,700
Nonmoving Traffic Citations	1,651	1,648	1,690	1,834	888	1,742	1,928	4,165	4,130	4,469
Moving Traffic Citations	16,224	18,425	16,829	17,211	19,237	19,877	17,387	17,280	20,136	16,286
Fire										
Number of fire calls answered	1,475	1,584	1,601	1,811	2,184	2,063	1,558	1,845	1,661	1,637
Number of medical calls answered	2,843	2,918	3,101	3,501	3,559	3,502	4,075	3,842	3,542	4,502
Public Works										
Street resurfacing (miles)										
Overlays	4.70	1.68	6.31	8.26	8.43	4.65	1.67	2.87	3.52	4.24
Slurry	39.87	36.04	43.62	28.70	29.55	34.87	38.87	40.96	39.50	45.37
Potholes repaired	N/A	1,661	1,017	697	660	916	357	251	360	863
Sanitation										
Number of Garbage Cans per month	28,596	29,779	29,622	30,319	30,449	30,463	30,509	30,938	31,294	31,500
Number of Recycle Cans per month	21,672	22,079	22,199	22,778	23,011	23,166	23,202	23,413	23,576	23,659
Parks, recreation, and cemetery										
Number of program participants	18,593	18,842	18,083	19,107	19,870	13,650	14,315	15,154	15,281	17,447
Cemetery plots sold	25	40	53	31	43	26	52	84	62	66
Alta Canyon <sup>1</sup>										
Members	N/A	N/A	N/A	N/A	2,198	1,988	1,734	1,045	1,100	1,100
Class participants	N/A	N/A	N/A	N/A	86,091	99,133	96,236	87,718	92,704	98,933
Golf <sup>2</sup>										
Number of 18 hole rounds played	N/A	N/A	N/A	N/A	6,216	14,324	15,481	14,121	16,564	16,309
Number of 9 hole rounds played	N/A	N/A	N/A	N/A	11,375	24,471	26,335	28,328	30,512	29,276
Number of tournaments	N/A	N/A	N/A	N/A	5	21	28	24	50	59
Sandy Arts Guild <sup>3</sup>										
Number of tickets sold	N/A	N/A	N/A	N/A	N/A	N/A	29,634	22,500	30,612	32,899
Number of shows	N/A	12	12	12	8	10	13	13	15	25
Water										
New connections	N/A	164	231	220	159	185	220	375	382	332
Water main breaks	66	67	61	74	57	64	57	86	61	63
Average daily consumption (gallons)	25,668,364	29,100,582	29,055,890	29,055,890	23,033,589	21,493,638	21,688,435	25,607,989	26,170,833	24,805,833

<sup>1</sup>Alta Canyon Sports Center came under Sandy City's management on July 1, 2002.

<sup>2</sup>The River Oaks Golf Course was purchased on June 28, 2002.

<sup>3</sup>The Sandy Arts Guild opened on January 1, 2000, however, ticket sales information was not available prior to 2005 for Sandy Arts Guild (formally Sandy Amphitheater).

Source: Various City Departments

**Sandy City**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years Ending June 30**

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Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	5	5	5	4	4	4	3	3	4	4
Vehicles and Motorcycles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	135	137	144
<b>Fire</b>										
Fire Stations	4	4	4	5	5	5	5	5	5	5
Transport Fire Engines	-0-	-0-	-0-	4	4	4	4	4	7	7
Ladder Truck 100'	-0-	1	1	1	1	1	1	1	1	1
Telesquirt 50'	1	1	1	1	1	1	1	1	1	1
Ambulance	-0-	-0-	-0-	2	2	2	2	2	2	2
<b>Public Works</b>										
Streets (road miles)	285	287	287	289	291	301	304	305	306	303
Traffic Signals	20	23	24	26	27	29	30	30	34	34
<b>Streetlights</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,740	6,822	7,074
<b>Culture and Recreation</b>										
Parks Acreage	186	203	211	213	219	220	220	232	251	299
Parks	28	30	30	30	30	30	31	31	23	25
Swimming Pools	-0-	-0-	-0-	-0-	1	1	1	1	1	1
Tennis Courts	27	27	27	27	30	30	30	30	30	30
18-Hole Golf Course	N/A	N/A	N/A	1	1	1	1	1	1	1
<b>Water</b>										
Water mains (miles)	360	364	446	446	452	477	443	443	447	452
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,426	4,849	4,495
Maximum Daily Capacity (millions of gallons per day)	61.956	61.956	61.956	61.956	61.956	67.886	73.646	73.976	131.376	138.987
Storm Water Drains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	152	172	179

Source: Various City Departments